U.S. POLICY AND THE IRANIAN THREAT

by

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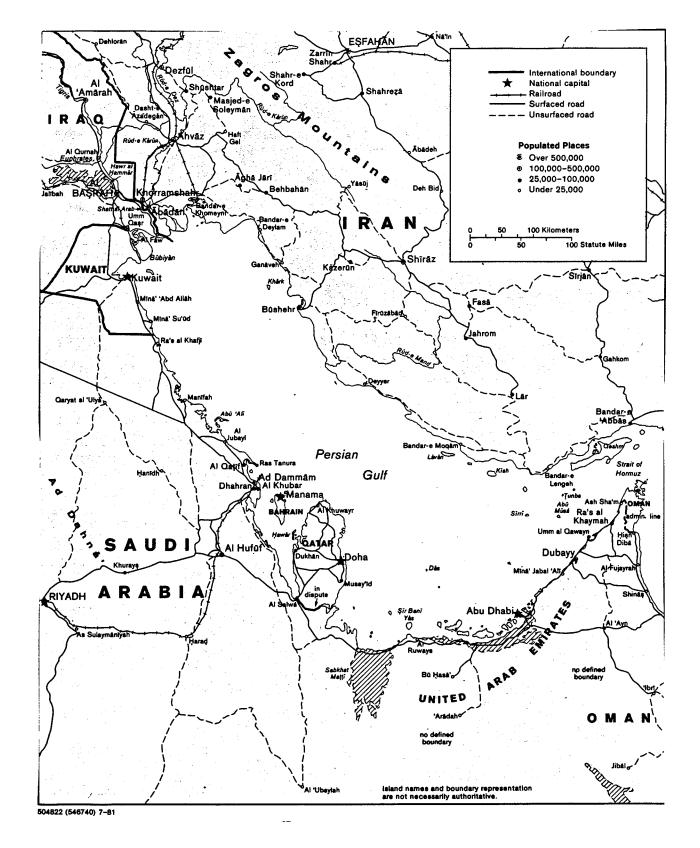


Figure 1. CIA Map of Persian Gulf Region



Figure 2. CIA map of Iran.

EXECUTIVE SUMMARY

Iran is pursuing the acquisition of unconventional weapons to obtain a credible retaliatory deterrent against weapons of mass destruction, does sponsor assassination of opposition leaders, does have a bounty on the head of Salman Rushdie, does have territorial disputes with its neighbors, and is rebuilding its military with emphasis on controlling the Strait of Hormuz. At the same time, Iran does have legitimate defensive concerns, is being ostracized from world affairs, has seen a reduction in its oil revenues, has a domestic economy in disarray and is unable to keep up with population growth and demand, and requires a "cause" to legitimize its Islamic "revolution" and allow the clerics to remain in power.

The object of this paper is to examine some key aspects of the aforementioned viewpoints and attempt to determine areas where deconfliction, if possible, can be accomplished. I attempt to show both U.S. and Iran have legitimate arguments. To begin with, I do not believe the U.S. policy of "dual containment," in response to Iran's "outlaw" behavior, is achieving the desired effect and to continue to ostracize Iran from the international community will harm U.S. interests in the Persian Gulf region. To reach this conclusion, I will attempt to show how "dual containment" affects Iran, why the international community does not support it, and what external pressures are applied on the Clinton administration to continue it. Then I look at Iran's conventional arms buildup from the threat it poses to the GCC, Israel and the U.S., while at the

same time balancing this against the external threat poised against a weakened Iran. This leads into the dangers Iran's unconventional weapons program suggests to the GCC, Israel, Iraq and the West and why Iran believes such a program is essential to its security. The next topic is perhaps the West's greatest contention with Iran, its capability to export terrorist and revolutionary zeal. In the final section I look at the U.S. - GCC and the GCC - Iranian relationships.

My findings lead me to believe Iran's support of worldwide terrorist activity is the real stopping point for normalizing relations with the West. At the same time, I do not believe "dual containment" is working. Furthermore, by supporting unprecedented military buildups in the authoritarian monarchies of Saudi Arabia and the GCC countries, the U.S. is in danger of repeating the same mistakes pursued during the 1970's when the U.S. strove to establish Iran as a surrogate force to counter Soviet designs. Understanding the rather volatile political atmosphere present in all Persian Gulf countries leads me to believe Iran should not be excluded from regional security arrangements. Developing a regional organization between Iran and the GCC, under a security umbrella of the U.S. and its allies would provide long term benefits to U.S. interests such as, the free flow of oil from the Gulf and the sovereignty of the regional countries.

INTRODUCTION

The United States has taken the lead in the international community of portraying the Islamic Republic of Iran as the world's In a statement 5 March 1993, the State leading "roque" state. Department announced, "Iran is currently the most dangerous state sponsor of terrorism." It went on to say it was also "the world's principal sponsor of extremist Islamic and Palestinian groups." Events over the last few years (i.e., break up of former Soviet Union, emergence of Islamic fundamentalist movements), have thrust the U.S. and Iran into world preeminence so quickly that neither was prepared for their respective roles. The U.S. found itself as the lone remaining "Super Power," having to formulate foreign policy without the advantage of placing respective countries into either a pro- or anti-Communist camp. Iran's "Islamic revolution," found itself replacing former Soviet Union communism as the most dangerous ideology confronting the West. Much has been printed and said that suggests these two countries are on a collision course.

Iran is presently involved in various activities that gravely concern its Arab neighbors and the West. It is attempting to acquire nuclear and biological and has chemical weapons of mass destruction, hereafter referred to as unconventional weapons. It also sponsors assassination of opposition leaders members, going so far as to have a bounty on the head of Salman Rushdie a British citizen. Iran is currently involved in a territorial dispute with

the UAE which places it at odds with the rest of the GCC countries who wish the dispute to go to arbitration at the International Court of Justice. This dispute over the Tunb islands and Abu Musa island takes on an even greater significance when viewed in concert with its military rebuilding emphasis which is certainly directed at Iran being able to establish a form of control over the Strait of Hormuz. At the same time, Iran does have legitimate defensive concerns. It is currently so weak it could not stop an attack from Iraq, even after Iraq's defeat in Desert Storm. Iran has seen a reduction in its oil revenues which further impacts a domestic economy in disarray that is unable to keep up with population growth and demand. Therefore Iran's ruling cleric with nothing else to fall back on requires a "cause" to legitimize the "revolution" and allow them to remain in power. This cause of course is the continuation of the Ayatollah Khomeini's anti-Western rhetoric and support of Islamic fundamentalists.

The object of this paper is to examine some key aspects of the divergent viewpoints and attempt to determine areas where deconfliction if possible, can be accomplished. Iranian efforts to rearm its conventional forces and its unconventional weapons programs have Israel, the West and its Arab allies concerned. In their view a stronger military will allow Iran to export the "revolution," realize its hegemonic designs on the Persian Gulf, and continue its terrorist activities worldwide. Iran counters that it is defensively weak and their military rearmament is a

necessity. Iran is surrounded by hostile nations such as Iraq and Israel; civil wars and secessionist movements in Georgia, Armenia, Azerbaijan, Tajikistan, and Chechnya; an arms race in the Persian Gulf, and a hostile U.S. that maintains a formidable force deployed in the region. Iran claims its support of Israeli opposition groups Hamas and Hizbollah, is the same thing that the U.S. did in supporting the Afghanistan rebels fighting the former Soviet Union. Both supporting a sovereign countries under attack from foreign powers. It is a signatory of the Chemical Weapons Convention (CWC), the Nuclear Nonproliferation Treaty (NPT) and a member in good standing with the International Atomic Energy Agency (IAEA) and according to the Iranian government is only looking for peaceful use of nuclear power and not in search of a nuclear bomb.

I will attempt to show the U.S. and Iran both have legitimate However, the U.S. policy of "dual containment," in arguments. response to Iran's "outlaw" behavior, is not achieving the desired effect and to continue to ostracize Iran from the international community will in the long run harm U.S. interests in the Persian Gulf region. To reach this conclusion, I will attempt to show how "dual containment" affects Iran, why the international community does not support it, and what external pressures are applied on the Clinton administration to continue it. Then I look at Iran's conventional arms buildup from the threat it poses to the Gulf Cooperation Council GCC, Israel and the U.S., while at the same time balancing this against the external threat poised against a This leads into the dangers Iran's unconventional weakened Iran.

weapons program suggests to the GCC, Israel, Iraq and the West and why Iran believes such a program is essential to its security. The next topic is perhaps the West's greatest contention with Iran, its capability to export terrorist and revolutionary zeal. In the final section I look at the U.S. - GCC and the GCC - Iranian relationships. Finally, I look at the U.S. - GCC relationship and the GCC - Iranian relationship and question the policy of excluding Iran from regional security agreements.

The U.S. has chosen to pursue its national interests in the Persian Gulf region by building closer ties to the GCC countries while "containing" both Iraq and Iran. According to National Security Adviser Anthony Lake our national interests in the Middle East region are; (1) The free flow of Gulf oil, (2) The security and well-being of Israel, (3) A secure and lasting Arab-Israeli peace, (4) The stability of friendly Arab countries, (5) Our need to contain Iraq, Iran, Libya, and Sudan, the reactionary "backlash states" of the region, and (6) Efforts to curb the spread of weapons of mass destruction.

I argue by supporting unprecedented military buildups in Saudi Arabia and the GCC countries, the U.S. is in danger of repeating the same mistakes pursued during the 1970's when the U.S. strove to

Text of remarks prepared for delivery by National Security Advisor Anthony Lake at the SOREF Symposium 17 May 1994, The Washington Institute, (Washington, D.C., NSC Press Off., May 1994), 1.

establish Iran as a surrogate force to counter Soviet designs. The economies of the GCC countries have been adversely affected by Desert Storm, declining oil revenues, growing populations, Islamic "fundamentalist" (not "radical") movements, and authoritarian regimes that do not allow for political participation by their respective populations. While this does not necessarily mean an impending overthrow of the GCC monarchies, it should certainly caution U.S. policymakers to recognize these instabilities and develop a plan to seek a more lasting resolution for Persian Gulf security and alliances to the West with the inclusion of Iran and eventually Iraq.

International Actions to Counter Iranian Threat

"Dual Containment"

Lack of relations or dialogue between Iran and the U.S. means that each will act or react towards the other based misperceptions. This, of course, only continues to exacerbate the differences that are becoming deeply entrenched in each others respective societies since the Iranian revolution almost 16 years The U.S. still vividly remembers the government-condoned takeover and subsequent hostage taking of our embassy and personnel in Tehran. Lack of formal relations between the U.S. and Iran has The current U.S. continued through four administrations. administration has adopted a foreign policy towards Iran labeled This policy attempts to isolate Iran "dual containment." politically and economically and is spelled out in The White House's 1994 National Security Strategy;

"(U.S.) policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including Iran's efforts to obtain weapons of mass destruction and missiles, its support for terrorism and groups that oppose the peace process, its attempts to undermine friendly governments in the region and its dismal human rights record. We remain willing to enter into an authoritative dialogue with Iran to discuss the differences between us."

The "dual" comes from U.S. policy towards both Iran and Iraq,

²The White House, "A National Security Strategy of Engagements and Enlargement," (Washington, D.C.: U.S. Govt. Print. Off., July 1994), 25.

with U.S. administration officials quick to point out this does not mean "duplicate" containment, noting a difference between policy concerning Iran and UN embargoes placed on Iraq following Desert Storm. Martin Indyck, special assistant to the President on the National Security Council, further explains "dual containment" during a Middle East Policy Council symposium;

"Our basic purpose, nevertheless, is to maintain a favorable balance in the region--favorable to our interests, favorable to the interests of our regional friends in the Gulf and beyond in the Middle East. And we feel that the circumstances are such that we can do that without depending on either Iraq or Iran."

"Dual containment" strives to isolate Iran from the rest of the international community by preventing the sale of military or "dual-use" equipment and by not lending Iran money or rescheduling its loan repayments. The U.S. believes that any money either lent to Iran or which permits Iran to reschedule loan repayments will be used for the rebuilding of the Iranian military. A strong military will allow them to pursue their hegemonic goals in the Persian Gulf and to disrupt political development throughout the Middle East and Central Asia.

Contrasting "dual containment," our European, Russian and Japanese allies are pursuing a policy of "appeasement" also known

³"Symposium on Dual Containment: U.S. Policy Toward Iran and Iraq," sponsored by the <u>Middle East Policy Council</u>, (Washington, D.C., 24 February 1994).

as "critical dialogue" or "olive branch." Appeasement, likened to the "carrot and the stick," has our allies giving and taking economically and politically in response to responsible and internationally accepted actions by Iran. This policy provides U.S. allies entry into a large and growing Iranian economic market. Therefore, while the U.S. has had some degree of success in convincing international organizations such as the World Bank or the International Monetary Fund not to provide loans to Iran, it has not been as successful in swaying allies to our position. Indyck concedes that the U.S.;

"Has not succeeded in preventing Iran from rescheduling its loans, mainly because the governments in question—the Germans, French, Italians, and Japanese—were committed to guaranteeing them, and thus would have had to pay for Iran's failure to repay."

These reschedulings have solved only some of Iran's short term currency problems. Rather it puts off the problem for a couple of more years. Iran then hopes that its oil and gas industry are revived and can begin to make a dent in its deficit spending. Iran has been successful in rescheduling approximately \$7.5 billion with

Geoffrey Kemp, Forever Enemies? American Policy & the Islamic Republic of Iran (Washington, D.C.: The Carnegie Endowment For International Peace, 1994), 8.

⁵"Symposium on Dual Containment: U.S. Policy Toward Iran and Iraq."

^{6&}quot;The Jerusalem Report," August 1994, "revealed that in exchange for immunity from Iranian terror operations on their soil, several European nations have rescheduled Iran's debts, boosted trade with Tehran and even released Iranian murder suspects." The validity of this statement lacks the burden of proof, yet it shows how strongly Israel feels that Iran is its major stumbling block to Middle East peace.

Germany, Japan, Switzerland, Austria, France, Denmark, Netherlands, Spain, and Sweden. Iran had to agree to pay seven percent annual interest charges on these loans. It is estimated that during the period 1994-2000 Iran will lose around \$3 billion of its income to debt servicing. Even the United Kingdom, considered the U.S.'s staunchest ally, a country that has one of its citizens, Salman Rushdie, under an Iranian death decree has began to negotiate with Iran over the rescheduling of Iranian debt. Rebutting our allies approach, Secretary of State Warren Christopher said at a Georgetown University speech, 24 October 1994;

"The international community, in my judgment, has been far too lenient of Iran's outlaw behavior. Arms sales and preferential economic treatment—the kind of treatment that makes it easier for Iran to divert resources to terrorism—both of these should be terminated. The evidence is overwhelming, Iran is intent on projecting terror and extremism across the Middle East and beyond. Only a concerted international effort can stop it."

According to U.S. officials, "appeasement" provides no political incentive for Iran to resolve its problems with the U.S. As long as our allies continue to trade and loan money to Iran and the former Soviet Union and Asian countries supply it with arms, Iran can continue its antagonistical relationship with the U.S.

⁷Italy is the only European country that has not yet rescheduled Iran's loan of \$1.4 billion.

⁸Eric Hooglund, ed., "Iran Reschedules Debts," <u>U.S.-Iran Review</u> 3 (January 1995): 9.

⁹Anoushiravan Ehteshami, "Tehran's Response to Change," <u>Jane's</u> <u>Intelligence Review, Yearbook</u>, (1994/95): 73.

^{10&}quot;UK Invites Central Bank to Begin Debt Talks," Tehran IRNA in English, (30 January in FBIS-NES-95-020, 31 January 1995, 64).

with very little damage to its economy. Tehran can use strong anti-Western rhetoric to solidify the clerics hold on power and legitimize the revolution. The U.S. administration is its own worst enemy in opposing "appeasement," as it continues to pursue a more open economic policy. The U.S. exported over \$824 million of goods to Iran between 21 March 1993 and 20 March 1994 making it the eighth largest exporter to Iran. 13

According to Uri Lubrani, a former Israeli ambassador to Iran (1972-1978) and appointed Prime Minister Begin's Government Coordinator for Lebanese Affairs in 1983, "critical dialogue" (appeasement) has been a failure and "dual containment" has achieved "next to nothing." 14

¹¹Interview with Chris Henzel, Iran Desk Officer, Department of State, Washington, D.C.: 8 December 1994.

¹²Except those goods as stated in the "Iran-Iraq Arms Non-Proliferation Act of 1992," "any goods or technology, including dual-use-goods or technology, wherever that transfer could materially contribute to either country's acquiring chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons." Also items on the U.S. Munitions List, crime control and detection devices, chemical weapons precursors, nuclear and missile technology, and equipment used to manufacture military equipment.

¹³Customs Office Releases Exports-Imports Figures, Teheran IRNA in English, (January 8 in FBIS-NES-95-006 10 January 1995, 66-67) and International Monetary Fund, <u>Direction of Trade Statistics Quarterly</u> (Washington, D.C.: International Monetary Fund, 1994), 102. IMF differs slightly in amount of dollars \$782 million, but does not have access to countries trading with Iran such as North Korea and Syria.

¹⁴Uri Lubrani, "The Irani Threat - Appeasement or Containment," a speech delivered at a Meeting of the <u>Carnegie Endowment for International Peace</u>, (Washington, D.C.: 15 November 1994), 10.

Pressure Politics

There have also been claims that part of the U.S. perception problem is due to U.S. policy makers being influenced by foreign and domestic special interest groups. For example, Egypt has accused Iran of backing the Egyptian al-Jihad terrorist group that advocates the overthrow of the Egyptian government. Egypt has been trying to get international condemnation of Iran by portraying Iran as the sponsor of Islamic extremism which is now sweeping through the Middle East. Egypt has not been able to prove this claim and is perhaps playing on the current tensions to provide a "smoke screen" for its people to forget the root cause of Egypt's "Islamic movements," a substandard way of life, political corruption, graft, and government ineptness.

these outside influences is U.S. defense Another of The defense industry was hit hard with the fall of contractors. the former Soviet Union and the subsequent draw down of the U.S. and European militaries. Fewer forces and less of an adversarial threat meant fewer weapons are purchased and this began threatening U.S. jobs in the defense industry. Desert Storm proved the technological superiority of Western and especially U.S. weapons systems and this lesson was not lost on the countries around the Persian Gulf. So while domestic and European demand for new or existing arms is in decline, U.S. defense contractors have found willing clients in the oil rich GCC countries. The U.S. has responded with unprecedented arms sales to the region, to develop the GCC countries' respective militaries so they will eventually be able to counter an Iraqi or Iranian threat to the region. the U.S. accounted for 13% of the world's arms exports. Today that share has increased to 70%.15 Despite his campaign platform calling for a decrease in the sale of arms, President Clinton has emphasized overall arms exports are critical to economic growth. 16 Clinton administration is actively supporting defense The industries in finding buyers throughout the world. Department has instructed embassies to "push arms deals as if they were agricultural or pharmaceutical exports." This means by continually depicting Iran as a threat or adversary, GCC countries will continue to buy U.S. arms. Also, the U.S. military will have a substantial threat to parade before Congress in times of budget decisions.

Finally, Israel has stepped up its campaign against Iran, and now considers it Israel's most dangerous threat. Israel has been putting much pressure on Iran concerning its supposed attempts to acquire nuclear weapons, possibly to take the pressure off itself for not signing the NPT. During a conference on US-Iran relations, Shireen Hunter, commented on the ulterior motives behind Israel's

¹⁵Mark Thompson, "Going Up, Up in Arms," <u>Times INC.</u>, 8 December 1994, 1.

¹⁶David Silverberg, "Clinton Defies Wisdom, Backs Defense Sales," Defense News, 17-23 May 1993, 3.

claims;

"There has been for some time now after the failure of Iran-Contra, a school of thought in Israel that believes one way of making peace with the Arabs is to portray Iran as the common enemy."

Lubrani expressed the division between Israel and Iran speaking of Tehran as "the capital of the Islamic Comintern," suggesting that Iran's Islam has replaced the communism of the former Soviet Union as the greatest threat to the West. 18

Negotiations

The U.S. argument, as outlined in the National Security Strategy, that, "we remain willing to enter into an authoritative dialogue with Iran to discuss the differences between us," perhaps overlooks the difficulties present in Iranian society that must be overcome for them to do so. Tehran does not have a central authority figure leading the government, which results in a continuous power struggle between the various factions. Iranian foreign policy is created through collusion of the various factions. Often times this means that official policy is confusing and may be contradicted by comments from leaders that are espousing

¹⁷Shireen Hunter, Symposium on "US-Iran Relations: Areas of Tension and Mutual Interest," <u>The Middle East Institute</u>, ed., Hooshang Amirahmadi and Eric Hooglund, (Washington, D.C.: 1994), 24.

¹⁸Lubrani, 9.

their own agendas. Currently no faction is strong enough to step forward and propose Iran accept U.S. overtures to negotiate their impasse, nor is there evidence any faction is inclined to do so. Since the "Islamic Republic" is the self proclaimed Muslim guardian against Western influences and corruption, the clerics are concerned that without something substantial to offer the Iranian people (i.e., reparations from the Air Bus shoot down, release of frozen assets, etc.), any negotiations held with the U.S. would be considered a sign of weakness and used against them by opposition groups. Therefore Iran insists the discussions be held in secret. The U.S. response is they cannot guarantee the secrecy of such meetings and if they were leaked would not be able to deny them. 19

The U.S. and its allies are not in agreement on how to deal with the clerics in Tehran. While there is no economic embargo per se against Iran, the West has a self imposed embargo of military and "dual-use" equipment. While the U.S. would like to make it more difficult for Iran to gain the means to buildup its military, it does not have the support of the European community which sees their respective economic situations as more important and has rescheduled a considerable sum of unpaid loans. Iran is able to receive this equipment from the former Soviet Union, China and North Korea. The U.S. has been unable to influence these countries

¹⁹Ronald Neumann, Department of State at Symposium on "US-Iran Relations: Areas of Tension and Mutual Interest," 66. This dilemma is well documented in an article by George Cave, "Why Secret 1986 U.S.-Iran 'Arms for Hostages' Negotiations Failed," Washington Report on Middle East Affairs, September-October 1994, 8 and 89.

to stop arms shipments to Iran and Iran has begun to rebuild what was once the most formidable force in the region.

Military Buildup

Conventional Weapons - As Offensive Threat

Iran undertook following the Iran-Iraq war a major reconstruction and restructuring of its military. That eight year war left its military impotent and in disarray. Those arms deals that have been announced show Iran has an ambitious "wish list" for state of the art military equipment which is intended to fill significant gaps in capability. The West and Middle Eastern countries, however, claim Iran's "list" demonstrates that Iran has hegemonic goals and verifies that Iran is still trying to acquire unconventional arms.

Iran has been looking to expand the mobility of its army. Iran's army during the Iran-Iraq war relied mainly on infantry units. These proved no match for Iraqi armored units and Iran's army was eventually overwhelmed by Iraq's superior forces. To correct these glaring deficiencies, Iran is attempting to purchase tanks, mainly T-72's from Russia, Poland and the Czech Republic, to include an assembly line from Russia; armored personnel carriers from Russia and Rumania; Mi-28 or Ka-50 attack helicopters from Russia; and various artillery and self propelled guns.²⁰

²⁰Michael Eisenstadt, "Deja Vu All Over Again? Iran's Military Build-up," Unpublished Assessment, National Defense University, Institute for National Strategic Studies, Washington, D.C.: 1994, 13; Shahram Chubin, <u>Iran's National Security Policy: Capabilities</u>, <u>Intentions & Impact</u> (Washington, D.C.: The Carnegie Endowment for

Another key lesson learned from the eight year war and Desert Storm was the advantage of air space domination. Iran's aging Western fighter/attack aircraft and air defense system are deteriorating due to lack of spare parts and technical expertise. Iran is seeking first generation aircraft from Russia, MiG-27/29/31, Su-24/25/27, A-50 AEW, and Tu-22M bombers; surface-to-air missiles from Russia and China; air defense C2 equipment from Russia; and the Tamara air defense warning system from the Czech Republic.²¹

Iran's navy was severely damaged during the eight year conflict, more so by the U.S. Navy than by Iraq. Again Iran's navy relies heavily on aging Western equipment and is now trying to equip itself with more of a coastal defense and denial capability. Reportedly Iran is seeking 10-12 Hegu-class missile patrol boats and HY-2 and JY-1 antiship missiles from China; bottom laid rising mines from Russian and China; and Kilo-class submarines from Russia.²²

Iran has been faced with decreasing oil revenue, a Western military and "dual use" equipment embargo, and competing domestic

International Peace, 1994), 34-45; Andrew Rathmell, "Iran's Rearmament-How Great a Threat?" <u>Jane's Intelligence Review</u>, July 1994, 319-321. All three sources rely on press releases for supposed arms deals, thus the big difference between what was supposedly ordered and what was actually bought.

²¹Ibid.

²²Ibid.

requirements for budgetary resources. All of these limit the money allocated to support rearmament goals. To date documented deliveries (following list) could be considered paltry when compared to what is desired; 50 MiG-29 and 20 Sukhoi-24 aircraft, SA-5/6's, T-72 main battle tanks, and 2 Kilo submarines from Russia; and 20 F-7, SA-2's, 5 Hegu-class missile patrol boats and hundreds of artillery pieces from China.²³

The U.S. contends that while Iran has a legitimate need to rearm itself, it does not need equipment with power projection and offensive capabilities unless its intentions are to dominate the Gulf. Mainly these American concerns center on potential antinaval weapons such as the Su-24 Fencer attack aircraft, Chinese antiship missiles, Russian Kilo-class diesel submarines, possible Russian and Chinese rising mines. These weapons along with Iran's current inventory of coastal defense "seersucker" missiles, are formidable and will boost Iran's capability to control access to and from the Persian Gulf and strike or retaliate against any country east of the Mediterranean:

(a) According to Jane's All the World's Aircraft, 1989-1990, when flying a normal mission profile (lo-lo-hi, fly low to target, deliver weapons, fly high back to base), the Su-24 Fencer, can carry 2,500 kg of ordnance 590 miles (950 km); flying an extended mission profile (hi-lo-hi) and carrying two external fuel tanks, it

²³Eisenstadt, 13.

can carry 3,000 kg of ordnance 808 miles (1,300 km). The Su-24 can also be used to deliver chemical weapons. The Su-24's range thus will enable Iran to fly strike aircraft not only against its traditional enemy Iraq, but also Saudi Arabia, the other GCC countries, and even the eastern area of Israel. It will also allow Iran a power projection capability against maritime traffic in the Persian Gulf or Indian Ocean providing Iran has credible over-the-horizon targeting, which Iran currently does not possess.

The Russian-built Kilo submarine has an (b) operational range of about 400 nm while submerged (six days), a maximum range of about 7,500 nm while snorkeling (maximum 45 days), and it can carry 18 torpedoes or 24 tube-launched mines. intentions for the Kilo are hard to infer as the Persian Gulf is not optimal for submarine operations. Currently the submarines are based at Bandar Abbas in the Strait of Hormuz, with the Iranians intending to build another base for them at Char Behar (Southern Iran near Pakistani border in North Arabian Sea) which provide them more employment options. As with all navies introducing a new platform into their inventory, it will probably take several years for Iran's crews to reach full proficiency in the use of the Considering the Kilo's have only recently been submarines. introduced into the Iranian inventory, leads one to believe that initially the Kilo's will be kept to easier missions such as laying mines. Each Kilo can lay 24 mines per trip and due to the shape of submarine laid mines (launched through torpedo tubes), they will

not be able to deny their culpability.²⁴ The Kilo will give Iran the capability to interdict maritime traffic, which is something it could not do during the Iran-Iraq war. Then it was forced to resort to small boat hit and run tactics. The Kilo will also enable Iran to intimidate GCC maritime interests (i.e., oil platforms, pipelines, merchant marine traffic, naval units). So far two Kilo submarines have been delivered with a third probably being delivered in 1995-1996.

(c) According to the International Defense Review, June 1993, Russia and China are offering rising mines for export. The Chinese EM52 can operate in depths up to 110m (ship counter option) and the Russian MSHM can operate at depths of 60-300m. The Chinese mines are laid by surface vessels with the Russian mines being laid by aircraft, surface vessel, or submarine. Acquisition of this type of mine will give Iran the capability to effectively mine the Strait of Hormuz and to threaten to, at least temporarily, close it. Considering that Iran has been able to get other front line equipment from both of these countries means there is a good chance Iran now possesses this capability as well.

²⁴Eisenstadt, 20.

²⁵W. Seth Carus, "Proliferation and Security in Southwest Asia," <u>Southwest Asia Symposium: Proceedings of the Symposium in Tampa</u>, (Macdill AFB, Florida: May 21, 1993), 6-7. The Strait is not suitable for deploying the more traditional moored mines due to the strength of its currents (mines will bend with the current or break from their anchors).

(d) In an attempt to provide targeting data to its missile forces and long range strike aircraft, "Iran is developing a military reconnaissance satellite with the help of China." This capability would allow Iran to locate fixed targets, do battle damage assessment, and track maritime traffic in the Persian Gulf and Indian Ocean.

Conventional Weapons - As Defensive Necessity

From the above assessment one can draw the conclusions that Iran is aggressive and hegemonic and that it is undertaking a conventional military buildup to become a regional super power. Iran on the other hand, claims it simply has a legitimate need to rearm its weak military to defend its borders against the upheaval surrounding it; Iraq, Pakistan, Georgia, Armenia, Azerbaijan, Tajikistan, and Afghanistan. Iran also sees itself being excluded from Persian Gulf security arrangements, witnessing bilateral agreements being made between the individual GCC countries and the U.S. and its allies. Iran's domestic economy is in a shambles and is unable to accommodate a fast growing population. Its western military equipment is in dire need of spare parts, and Iran has recently acquired a staggering national debt. Added to the above is 16 years during which Iran has been at loggerheads with the world's remaining super power and one could conclude that Iran is If Iran were an ally of the West, the U.S. and very vulnerable.

²⁶Eisenstadt, 11.

European countries would be scrambling to send equipment, technical advisers and financial aid to offset its untenable position.

President Rafsanjani's five year plan (1989-1993) allocated \$2 billion per year for the acquisition of military equipment. The actual amount Iran spent on military equipment can only be estimated due to the lack of official figures from Iran. The International Institute for Strategic Studies estimates Iran's defense expenditures equaled \$3.2 billion in 1990, \$5.8 billion in 1991, and \$2.3 billion in 1992. Former Defense Minister Torkan states spending fell to its current levels of \$750-800 million during 1993 and 1994. Expenditures have been declining due to lack of oil revenues, but also because Iranian leaders and military officials have announced they have reached their post-war expenditure targets and have not set new goals. 28

In determining what weapons/systems to acquire, Iran would be best served by drawing on lessons learned from the Iran-Iraq war and Desert Storm, and at the same time evaluating the regional instability that surrounds it (i.e., Iraq, Central Asia, Arab-Israeli, and U.S.-GCC relationship). Some conclusions Iran could reach from these evaluations are it had lost the "war of the cities" due to its lack of long range missiles; Iraq had used chemical warfare against it because Iran had no credible deterrent;

²⁷Eisenstadt, 6; Chubin, 38; Rizvi, 39.

²⁸Ehteshami, 72.

it did not have the assets to prevent maritime traffic from coming and going in the Gulf; and finally that its command and control structure did not allow sound military doctrine. The ruling clerics have made sure the traditional military was weak for fear that if it were too strong the military would attempt a coup. Eisenstadt comments on the dire nature of Iran's current military dilemma;

"Iran's ground forces are incapable of modern combined arms combat due to its adherence to outmoded doctrinal concepts, an inappropriate force structure (the ground forces are still comprised largely of leg infantry formations), an inability to effectively integrate air and ground operations, the low professional standards of its leadership, and the poor training of its forces...Moreover, Iran's ground forces could not support or sustain even limited offensive action against any of its neighbors, and it will be limited to playing a defensive role (and perhaps fulfill an internal security function in the event of widespread unrest) in the coming years."²⁹

Brigadier General Mohammad 'Ali Ja'fari, commander of the Islamic Revolution Guards Corps Ground Forces (IRGC), was quoted during a recent interview, "when it comes to the establishment of security, the IRGC Ground Forces is the country's sole military organ that directly confronts aggressors on the borders and domestic threats inside the country."

First priority for Iran is its ability to influence what it

²⁹Eisenstadt, 14-15.

^{30&}quot;IRGC Ground Forces Commander Interviewed," Tehran <u>Jomhuri-Ye</u> <u>Eslami</u> in Persian, (21 January in FBIS-NES-95-020, 31 January 1995, 66).

considers one of its vital centers of gravity, the Persian Gulf. Iran has the largest coastline on the Persian Gulf and the Gulf is the lifeline to Iran's economy; all of its oil production and refinery facilities and maritime ports are located in or near the Gulf. With such importance placed on the Gulf, it is in Iran's self-interest to be in a position to control or deny access to and from the Gulf which is something it could not do during the Iran-Iraq war and the naval confrontations with the U.S. In rearming, Iran is taking prudent measures to counter past deficiencies in purchasing modern sophisticated weaponry which could help influence events inside the Persian Gulf (i.e., the seersucker missiles guarding the Strait, first generation fighter/attack aircraft (Su-24), viable naval threat (Kilo submarine), acquisition of strategic real estate (Abu Musa and Tunb islands), and a deterrent (mines)). From a strictly national defense position the acquisition of the anti-naval weapons that have so raised the ire of Western nations, would be considered a sound military strategy if in the hands of a Western ally. This is especially so, for one economically heavily dependent on the Persian Gulf. However, Iran is not an ally and is not the sole user of the Persian Gulf. Its actions to control access via the Strait of Hormuz therefore threaten the free flow of Gulf oil and is in direct conflict with U.S. and its allies national interests.

Because of the international arms embargo against it, Iran had to turn to the former Eastern Bloc, China and North Korea to buy

its military equipment.³¹ At the same time, Iran has found itself in the midst of a Persian Gulf arms race. Many GCC countries are building stronger militaries after seeing the ease with which Iraq invaded Kuwait. The GCC embarked on a massive military spending spree that has seen over \$40 billion of sophisticated Western arms transferred to the region since 1990.³² As this purchase of front line Western equipment mounts, Iran could easily conclude it not only has to be concerned with its traditional enemy Iraq, but also potential enemies such as the GCC and more importantly Saudi Arabia.³³ Between 1986-1992 Iranian arms imports amounted to \$17.5 billion, while Saudi Arabia, with a population a fourth the size of Iran, purchased \$63.6 billion and Iraq \$34.9 billion.³⁴ According to Kamal Kharazi, Iran's Permanent Representative to the United Nations;

"In the last few years, we have spent an average of 1.6 percent of our GDP on arms expenditures, Saudi Arabia has spent

³¹With all the Western military equipment in its inventory, Iran could do much more for its money if the spare parts for this equipment became available.

³²Rathmell, 318.

³³Iran and Iraq are still at odds over support of each other's dissidents, border disputes, slow repatriation of POW's, and Iran's refusal to return Iraq's aircraft that fled to Iran during Desert Storm. Iran and Saudi Arabia have a history of differences concerning Iranian visa quotas during Hajj and OPEC production quotas and price limits.

³⁴Chubin, 35, figures for Iraq are only until 1991.

more than 20 percent of GDP. "35

Along with this sophisticated weaponry comes logistical support and technical support. Now Iran finds itself in the middle of an arms race it cannot win. The conventional military equipment being purchased by Iran is not enough to ensure that Iraq will not resume its war with Iran following the lifting of UN sanctions. Even after the devastating defeat of Desert Storm, Iraq still has a quantitative advantage over Iran in tanks, aircraft, helicopters and can still find missiles to launch in a future "war of the cities." Eisenstadt provides an example of Iran's current state of military readiness with the following comparisons of regional air power;

"Iran has 120 operational aircraft to defend 1,648,000 km square. Representative air force to air space rations (in Kilometers) of various Middle Eastern countries are: 1:50 for Israel, 1:1,450 for Iraq, 1:6,500 for Saudi Arabia, and 1:13,750 for Iran."³⁶

Iran's military buildup is required not only for defense against its traditional or potential enemies in the Gulf. Since the breakup of the former Soviet Union, Iran has seen thousands of refugees fleeing Central Asian fighting and has a legitimate concern fighting could escalate across its borders. Russia too is concerned that this area, which is predominately Muslim, is a prime

³⁵Thomas Mattair, "Interview with U.N. Ambassador Kamal Kharazi of Iran," <u>Middle East Policy</u>, Winter 1994, 127.

³⁶Eisenstadt, 30-31, the figure of 120 operational aircraft excludes the 112 that Iraq flew to Iran during Desert Storm.

target for Iran to influence with its Islamic fundamentalism. Therefore, Iran has been very careful to not emphasize its ideological or religious interests, concentrating instead on cultural and economic links and transit agreements.³⁷

Considering the precarious regional atmosphere Iran finds itself immersed in, it is no wonder Andrew Rathmell, writing in Jane's Intelligence Review, concludes;

"An analysis of Iran's strategic situation and current military buildup indicates, nevertheless, a largely defensive reaction to Iran's insecure geopolitical situation. Even if the current military acquisition program is fulfilled, Iran will continue to be outgunned by the GCC states and their Western allies." 38

Iran's military buildup is not necessarily for pursuing a military conflict with the West. Rather there is a window of opportunity for Iran to rearm now as a result of; (1) CIS countries need hard currency and are offering sophisticated weaponry cheaply; (2) after the UN lifts the economic embargoes against Iraq it will not be long before Iraq will once again be the regional threat with possible hegemonic goals; (3) the U.S. is in the middle of a military cut back and spread thin around the world (i.e., Somalia, North Korea, Haiti, Bosnia, etc).

³⁷Rathmell, 318.

³⁸Rathmell, 317.

Iran's military buildup is both prudent and required. While the West has some concerns with regards to this buildup, it is the perceived short cuts to this military proficiency that an unconventional weapons capability will provide Iran which is most disconcerting.

Unconventional Capabilities

The gravest concern the U.S. and its allies have regarding Iran's military buildup is its attempts to acquire unconventional weapons and delivery capability. Many Westerners and Middle Eastern countries believe Iran has embarked into the unconventional weapons arena by producing chemical weapons, researching biological weapons and attempting to gain nuclear weapons. This type of unconventional capability would allow Iran to more quickly achieve a balance of power in the region, circumventing the high costs, years and training shortfalls that must be overcome if it were to rebuild its military forces by conventional means.

Chemical Weapons - As Offensive Threat

Iran, one of fifteen countries known or believed to possess chemical weapons, signed the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, (also known as the Chemical Weapons Convention, or CWC), January 1993.³⁹ The CWC requires the signatory to destroy its stockpiles of chemical weapons. However, few believe Iran will give up its new found retaliatory/deterrent capability, but rather will create the appearance that it is, and by rhetoric of support to the treaty hide its stockpiles of

³⁹John Tessitore and Susan Woolfson, ed., <u>A Global Agenda:</u>
<u>Issues before the 48th General Assembly of the United Nations</u> (New York: University Press of America, 1993), 140.

chemical weapons from inspectors. Iran began production of mustard gas and phosgene in the mid 80's, testing them on a small scale late in the Iran-Iraq war. 40 Its production capabilities now include blood and nerve agents and is reported to have a stockpile of between several hundred to 2000 tons. 41 On the biological side, Iran has been working on mycotoxins since the early 80's, is known to be researching anthrax and may be working to produce bacteriological weapons. 42

Responding to Western claims that Iran is stockpiling chemical agents, Iran has stressed the importance of controlling challenge inspections to guard against their "frivolous or malicious" use against particular states (Iran feels it is selectively discriminated against because of its fray with the U.S.). To discourage such use as well as veiled "fishing" expeditions designed for espionage, Iran proposed that those states that issue a challenge be liable for the costs of inspections. It is unknown if Iran could mate chemical warheads to its Scud missiles, but it has close relations with both North Korea and Syria, two

⁴⁰Rathmell, 322; Chubin, 24.

⁴¹Rathmell, 322; Chubin, 48-49. Chubin cites testimony of then CIA director Robert Gates as source of numbers. Then quotes testimony of then CIA director James Woolsey, before the Senate Governmental Affairs Committee, 24 February 1993; Iran has an "active chemical and biological weapons program" and to have "stockpiled chemical weapons."

⁴²Chubin, 49.

⁴³Chubin, 47.

countries which have produced chemical warheads for their own missiles.44

Chemical Weapons - As Defensive Necessity

Iran's political and military leaders need only reflect on the Iran-Irag war to see how devastatingly effective chemical weapons are. According to Iran's Foreign Minister Velayati, Iran suffered 50,000 casualties due to chemical attack including 5,000 killed. 45 Not only were chemical weapons an effective battlefield tactical weapon, but also a major psychological one. Iran is also cognizant there was no international outrage against Iraq for its use of chemical weapons, which left Iran internationally isolated and defensively incapable of countering the attacks. Iran has no intention of being that vulnerable again and its leaders acknowledge this by claiming, "(Iran) reserves the right . . . to get the technological knowledge to confront the chemical agents our enemies might use against us."46 During a 1988 talk with military officers, President (then acting armed forces commander-in-chief) Rafsanjani was quoted as saying:

⁴⁴Eisenstadt, 10-11.

⁴⁵"Ali Akbar Velyati, Iranian Foreign Minister, Speech to the International conference on chemical weapons," in English, (7 January in FBIS-NES-89-004, 9 January 1989, 7).

^{46&}quot;Hoseyn Firuzabadi, Chief of the Armed Forces Command Headquarters," Islamic Republic News Agency in English, (14 March in FBIS-NES-91-051, 15 March 1991, 44-45).

"Chemical and biological weapons are a poor man's atomic bombs and can easily be produced. We should at least consider them for our defense. Although the use of such weapons is inhuman, the war taught us that international laws are only scraps of paper."

Iran could easily conclude the only reason Iraq did not use chemical weapons against the coalition forces during Desert Storm was that the coalition forces could retaliate in kind or even respond with more powerful weapons. As Chubin says, "Iraq was deterred by the threat of unacceptable retaliation." With these harsh lessons to digest, and with no one to guarantee a revitalized Iraq would not resort to the use of chemical weapons again, it is perhaps prudent on the part of Iran to be able to react in kind.

Missile Forces - As Offensive Threat

Iran has approximately 285 Scud-B's (193 mi/320 km) and 40 Scud-C's (301 mi/500 km) which can strike targets in Iraq and Saudi Arabia. It is also funding the development of the North Korean Nodong-1 missile, which with its range of over 602 mi/1000 km would give Iran the capability of striking major population centers in Israel. Iran has also gained machinery and technical support from China and North Korea for producing the Scud-C and the Nodong-1

⁴⁷"Ali Akbar Hashemi Rafsanjani, Acting Armed Forces Commander-in-Chief," IRNA in English, (19 October in FBIS-NES-88-298, 19 October 1988, 55-56).

⁴⁸Figures are Defense Intelligence Agency estimates.

⁴⁹Defense Intelligence Agency estimates that Iran could begin to deploy NODONG-1 missiles in 1996-1997.

Iran is pursuing the capability to indigenously missiles.⁵⁰ produce missiles and rockets, which so far, have been mostly derived from reverse engineering and cannibalization. To date Iran has had limited success producing; Oghab (a Chinese type-83 artillery rocket) has a range of 24 mi/40 km and is highly inaccurate, Nazeat (NP-110) a solid propellant launched missile with an assessed range of 102 mi/170 km and again is inaccurate and unreliable in service, Shahin-2 with a range of 12 mi/20 km weighs 1,276 pounds and can carry a 396 pound conventional or chemical warhead; 51 122 mm Hadid, Noor and Arash multiple rocket launchers (MRL), 107 mm Haseb and Fajr-3 MRLs, and the Raa'd rocket system. 52 Iran is also working on a new solid propellant SRBM and MRBM with assessed ranges of 180-482 mi/300-800 km and 602 mi/1000+ km respectively.53 Both of these missiles could be in the Iranian inventory by the end of the century. Shahram Chubin, writing in his book Iran's National Security Policy; Capabilities, Intentions & Impact, comments on the paltry showing of Iran's missile program to date;

"It is difficult to resist the conclusion that Iran's poor results are due to deficiencies of organization and management (rather than backwardness in technology), a factor that would have ramifications for Iran's ambitious defense reconstruction programs across the board."

⁵⁰Eisenstadt, 10; Chubin, 46-47; Rathmell, 322.

⁵¹Chubin, 46; Eisenstadt, 11.

⁵²Rizvi, 39.

⁵³Defense Intelligence Agency estimate.

Missile Forces - As Defensive Necessity

In early 1988, Iraq attacked Iran with missiles following an offensive by Iranian ground forces. In the subsequent exchanges (February-April 1988), Iraq launched 190 Scud missiles versus Iran's 70-75, in what became known as the "War of the cities." While Iraq was able to launch salvoes Iran was limited to one launch a day.54 The effectiveness of the Iraqi missile attacks demoralized the citizens of Iran. Reportedly "more than a quarter of the population of Tehran fled the city."55 This coupled with the inability of the U.S. led coalition forces to locate and destroy Iraq's Scud missiles during Desert Storm, illustrates that ballistic missiles are an intimidating weapon. With Iraq (Al-Husayn and Al-Abbas technology), 56 Saudi Arabia (CSS-2) and Israel (Jericho II and Shavit) all possessing missiles capable of striking Iranian territory, it is militarily sound for Iran not to be susceptible to missile attacks from any of these countries without a retaliatory capability.

Nuclear Capability - As Offensive Threat

There has been much in the press recently about Iran's

⁵⁴Chubin, 21.

⁵⁵Eisenstadt, 10.

 $^{^{56}\}mbox{Iraq}$ is reportedly limited by UN to missiles with range no longer than 150 km/90 mi.

attempts to gain nuclear weapons. 57 Western and Israeli officials claim Iran's ultimate goal is to produce nuclear weapons and estimate this could be accomplished in 5-15 years. This timetable could be less if Iran receives either a weapon or nuclear technology from CIS countries, China, North Korea, or Pakistan. In a 5 January 1995 article, The New York Times quotes a senior Israeli military official as saying "when we look at the future and ask ourselves what is the biggest problem we will face in the next decade, Iran's nuclear bomb is at the top of the list." The article further quotes an Israeli official, "if the program is not halted, they will be forced to consider attacking Iran's nuclear reactors. "58 In a follow on article, The New York Times 10 January 1995, quoted U.S. Defense Secretary, William Perry that both Washington and Israel were "very much concerned" about Iran's potential nuclear threat, but the Iranians were still "many, many years" from developing the atomic bomb. Mr. Perry agreed with Prime Minister Yitzhak Rabin that 7 to 15 years was "a reasonable estimate" of how long it might take Iran at its present pace. He went on further to say "(a) major part of the U.S. program is directed to keeping outside assistance and nuclear weapons from

⁵⁷Clyde Haberman, "U.S. and Israel See Iranians 'Many Years' From A-Bomb," New York Times International, 10 January, 1995; Chris Hedges, "Iran May Be Able to Build an Atomic Bomb in 5 Years, U.S. and Israeli Officials Fear," New York Times International, 5 January 1995, 10(A).

⁵⁸"Official Backs Egypt's Warning to Israel," IRNA in English, (11 January in FBIS-NES-95-0008, 12 January 1995, 46). Egyptian Foreign Minister 'Amr Musa on Sunday 8 January, "cautioned Israel against implications of attacking Iranian atomic installations and advised it to give up such an idea."

getting to Iran or other rogue nations which may be trying to get nuclear weapons."

Iran refutes these claims by pointing out its power generation needs. Iran's power capacity has been unable to keep up with the demand due to financial constraints, managerial deficiencies, and neglect/damage due to the war. However, it is hard to prove Iran's domestic need for nuclear power considering Iran has the second largest natural gas reserves in the world. In May 1979, the Provisional Government abandoned its nuclear program because Iran lacked the infrastructure, technology, and the need for nuclear power. Natural gas is a much cheaper source of energy than nuclear power, especially when one considers the costs, risks and disposal problems which accompany a nuclear power plant. Iran's gas reserves are projected to last 400 years, compared with 80 years for its oil reserves, based on normal anticipated use.

With questionable requirements for domestic nuclear power, Western analysts believe Iran's intentions are to become educated about nuclear energy under the auspices of international organizations, then transfer that technology to a weapons program.

⁵⁹Jahangir Amuzegar, <u>Iran's Economy under The Islamic Republic</u> (London: I.B. Tauris & Co. Ltd, 1993), 255. Iran's natural gas reserves were estimated to be 20 trillion cubic meters in 1992, second only to the former Soviet Union.

⁶⁰Amuzegar, 210-211.

⁶¹Eisenstadt, 7; Amuzegar, 211.

Western sources believe Iran is in the first stages of building a bomb by conducting research on gas centrifuge enrichment with German supplied components⁶² and acquiring a small nuclear reactor and small research calutron from China.⁶³ China has also offered to sell Iran light-water reactors.⁶⁴ In his assessment Eisenstadt cites;

"Iran has also reportedly purchased large quantities of low-enriched uranium fuel and beryllium (used in nuclear weapons) from Kazakhstan and uranium ore from South Africa, and it hopes to commence domestic uranium production at mines near Saghand with the intention of eventually producing for domestic use and export." 65

Western officials are convinced there is overwhelming documentation to support its claims Iran is pursuing the "bomb." Iran, on the other hand continues to point out it has signed the NPT. As a signatory according to Article 4 of the NPT, Iran is entitled to research, produce and benefit from atomic energy for peaceful ends. Western observers feel this claim goes beyond the original intent behind the NPT; "There is no reason to believe Iran or other energy rich states are developing nuclear power industries for peaceful purposes." Iran claims its program is open to

⁶²Frontline (PBS), "Iran and the Bomb," 13 April 1993.

⁶³ The Washington Post, 5 November 1991, 16(A). Calutrons are magnetic isotope separation devices which can be used to derive enriched uranium for an atomic bomb.

⁶⁴Hedges, 10(A).

⁶⁵Eisenstadt, 8.

⁶⁶Clawson, 64.

inspection by the IAEA. The IAEA's inspection of Iranian nuclear sites/facilities in February 1992 found: the uranium-mining site in Saghand was 5-7 years from operation, with no signs of a uranium concentration plant; and the Chinese calutron suitable only for producing stable isotopes of zinc for pharmaceutical purposes. 67 In an address to the UN, Iran's permanent representative stated;

"Iran simply does not have the ambitions to become a nuclear weapon state and as a matter of national policy it has denounced nuclear weapons and other weapons of mass destruction."

He went on to further state during its latest inspection of Iranian sites 15-21 November 1993, the IAEA confirmed Iran was in full compliance with the NPT and IAEA's safeguard agreement. 68 Many Western officials question the validity of IAEA inspections as this agency failed to detect Iraq's and North Korea's nuclear weapon activity because it "depended entirely on the government in question for all of its information about nuclear programs. 169 The National Defense Authorization Act for Fiscal Year 1993 alludes to this by authorizing funds, supplies, equipment, personnel, training, and other forms of assistance for;

"Activities carried out by the International Atomic Energy Agency that are designed to ensure more effective safeguards against nuclear proliferation and more aggressive verification of compliance with the Treaty on the Non-Proliferation of Nuclear

⁶⁷Michael Wise, "Atomic Team Reports on Iran Probe," <u>The</u> Washington Post, 15 February 1992.

^{68&}quot;UN Mission Denies TIMES Nuclear Build-up Allegation," IRNA in English, (7 January in FBIS-NES-95-005, 9 January 1995, 55).

⁶⁹Clawson, 61.

Weapons, done on July 1, 1968."

If Iran were able to procure or develop a nuclear weapon, the country with the most to fear initially would be Iraq. The West's greatest concern is that a government which sponsors terrorism would provide a terrorist organization with a bomb for its use against Israel or the West. In actuality, until Iran possessed an inventory of nuclear weapons, one or two would not allow them much leeway. Rather it would provide Iran's clerics with a status symbol to proclaim the legitimacy of the revolution and its advancement in technical knowledge, provide a retaliatory capability, and advance its stature in the international community.

Nuclear Capability - As Defensive Necessity

To most observers there is little doubt Iran is pursuing a nuclear weapons program based on its nuclear technology acquisitions and approaches to buy nuclear components and technology from other countries. Possibly the lone exception to the cost/benefit analysis of natural gas energy versus nuclear electrical power plant, is the completion of the partially built Bushehr plant. A new power plant is required in this area and rather than build a brand new gas plant, it would probably be slightly more cost effective to complete the already started

nuclear plant. 70 Mr. Khabir, Deputy Director of the Bushehr nuclear power plant, commented on the recent signing of an \$800 million deal with Russia to finish building the Bushehr plant which was halted by the German company (Kraftwerk Union), following the 1979 revolution. He reported the revolution left the plant with 90% of the construction completed and 60% of the equipment and machinery installed at the first unit which will have a 1300 megawatt capacity upon completion. The second unit has 50% of construction completed. The deal signed with Russia will have the first unit completed within 4 years. The Russians ignored U.S. attempts to block the deal, saying they should be free to furnish Iran with nuclear technology since it abides by IAEA inspections and terms of the NPT. U.S. attempts to stop Russia and China with providing nuclear technology to Iran conflicts with U.S. policy towards North Korea. Recent agreements between the two countries mean the U.S. will provide North Korea with light-water nuclear reactors, in exchange North Korea has agreed to freeze its nuclear These light-water reactors are similar to the weapons program. types Russia will be providing Iran. Striking a similar deal with Iran as the U.S. did with North Korea, would allow Iran to gain nuclear technology, in return Iran will be required to go beyond

⁷⁰Patrick Clawson, "Iran's Challenge to the West: How, When, and Why," The Washington Institute Policy Papers, no. 33, (Washington, D.C.: The Washington Institute for Near East Policy, 1993), 63.

^{71&}quot;Russia to Complete Plant in 4 Years," IRIB TV 3rd Program Network translated text in English, (7 January in FBIS-NES-95-005, 9 January 1995, 55).

the NPT and forgo the reprocessing of spent nuclear fuel that turns it into bomb making plutonium. 72

Putting the domestic need argument aside, what are the concerns Iran perceives which warrant the need for a nuclear weapon? Tehran finds itself surrounded by nuclear states; Israel to the west, Russia, Ukraine, Belarus, and Kazakhstan to the north, India and Pakistan to the east, and of course the U.S., or that of a revitalized Iraq. Iran is also in the midst of a regional arms race where with its demanding and growing domestic economy, international arms embargo and decrease in oil revenues, is finding it difficult to rebuild its military to the force level needed to be able to defend its borders via conventional means.

Israel is considered a nuclear power and Iraq was close to getting nuclear weapons prior to Desert Storm. The shortest path to parity in an arms race one cannot win, would to be to have weapons with exponential destructive capability to use as a retaliatory deterrence. At the same time a nuclear weapon will give an isolated Iran a sense of stature in the international community and add substance to its self proclaimed role as the caretakers of the Islamic revolution.

Iran's claim that the U.S. has a double standard in the region regarding Israel's supposed nuclear weapons program is gaining support from Arab Middle East countries. The U.S. has voiced grave

⁷²Steven Greenhouse, "U.S. May Ease Economic Curbs on North Korea this Month," <u>New York Times</u>, 11 January 1995.

concerns over the legitimacy of Iran's pursuit of a peaceful nuclear program while, at the same time, ignoring Israel's nuclear arsenal. While Israel has never acknowledged their nuclear capability, during a January 1995 visit to Israel, Israel's Foreign Minister Shim'on Peres told the U.S. defense secretary, William Perry, "Israel will not be the first country to introduce nuclear weapons into the Middle East." But the Foreign Minister repeated Israel's position, "It will not sign a nonproliferation treaty until full peace is achieved in the region." Jane's Intelligence Review reported Russian and French satellite photos revealed Israel had seven sites to make, test, and store nuclear bombs and missiles. With the ratification of the NPT coming up in April 1995, Iran has been joined by several Arab countries in calling for Israel to sign the agreement along with the Arab countries. Reports on the latest unified Arab stance regarding the NPT state;

"A summit that brought together King Fahd Bin-'Abd-al-'Aziz of Saudi Arabia, and Presidents Mubarak of Egypt and al-Asad of Syria was held in Alexandria 28 December 1994. The three leaders adopted a unified stand and will refuse to sign the NPT at the international conference slated for Geneva 17 April-12 May. They will insist that Israel sign first and will support all regional and world efforts geared toward removing Israel's weapons of mass destruction and denuclearizing the Middle East."

Egypt's stance is;

^{73&}quot;Nuclear Issues, Golan Discussed," in English, (9 January in FBIS-NES-95-005, 9 January 1995, 31-32).

⁷⁴"Egypt, Syria, Saudia Arabia Adopt Unified NPT Stance," London <u>AL-HAYAH</u> in Arabic translated in English, (29 Dec in FBIS-NES-95-001 3 January 1995, 4-5).

"We are advocates of peace and we are for a total ban on weapons of mass destruction rather than a limited one on chemical weapons. We want to see a prohibition on biological, nuclear, and other weapons of mass destruction and want this embargo to apply to all, rather than some, countries of the region." 75

This adds to Iran's claims against Israel and allows them to portray themselves as a country being bullied and selectively persecuted by the West. Ali Akbar Velayati, Minister for Foreign Affairs of the Islamic Republic of Iran addressed the Forty-Ninth Session of the UN General Assembly, stating Iran's official stance on nuclear weapons in the Middle East;

"The Islamic Republic of Iran, as a victim of weapons of mass destruction, has under no circumstances attempted nor will it ever attempt to develop or possess these anti-human weapons. It, thus, attributes great value to the Non-Proliferation Treaty despite the instrument's many inherent shortcomings. . . . However, in our view a limited renewal of the Treaty can serve the objective of nuclear disarmament only through careful attention to following considerations:

1. Nuclear powers should abandon the doctrine of nuclear deterrence and commit themselves to a target date for the complete elimination of nuclear weapons;

2. The Comprehensive Test Ban Treaty should be finalized and

unconditionally signed;

3. The production, development, stockpiling of and trade in all fissile materials for nuclear weapons purposes must be permanently banned;

4. The security of non-nuclear states needs to be guaranteed against the threat of the use of these weapons by others. This will be possible through an effective international treaty; and 5. The access by governments to nuclear technology for peaceful

purposes should be guaranteed.

The future of the NPT also requires serious consideration of the critical situation in the Middle East and the nuclear threat posed by Israel. Israel's nuclear program has exacerbated the arms race in the region and has forced others within the area to turn to more advanced conventional weaponry. Some states in the region have made their accession to a number of disarmament treaties conditional upon Israel's acceptance of international regimes

⁷⁵ Ibid.

established to prevent proliferations of nuclear weapons. Israel's refusal to do so, which regrettably enjoys the support of a number of developed nuclear-weapons-states, will affect the perspective of states in the Middle East on the future of NPT after 1995."⁷⁶

As can be seen by the above statement, Israel's refusal to sign the NPT has given Iran the excuse to portray itself as a self-righteous nation being discriminated against in its quest for peaceful nuclear power. Until the IAEA or the West's intelligence agencies come up with documented proof verifying Iran has embarked on a nuclear weapons program, Iran will continue to play its propaganda card against the U.S. and Israel. Israel is the key to solving the nonproliferation problem in the Middle East. If Israel were to agree to sign the NPT this argument being put forth by Iran is no longer valid and world attention can return to stopping nuclear weapons further introduction into the Middle East.

Considering Iran's relationship with Israel, Iraq, and the U.S. it is conceivable Tehran's leaders came to the conclusion Iran needs nuclear weapons to offset the capabilities of its enemies. The West's concern that an Iranian nuclear weapon becomes an Islamic or terrorist weapon is currently a worst case scenario. While the West believes Iran is a "state sponsor" of terrorism it can only speculate on how much sway Tehran has amongst the various Middle East terrorist groups. To believe that Iran would use a

⁷⁶Ali-Akbar Velayati, Minister for Foreign Affairs of the Islamic Republic of Iran, address before the Forty-Ninth Session of the United Nations General Assembly, New York, 26 September 1994.

nuclear weapon to further its hegemonic ambitions is also a bit extreme. For the use of a nuclear weapon with links to Tehran would certainly provoke a Western retaliatory strike against Iran. Tehran's leaders have to know this and have been particularly cautious in their foreign and domestic policies concerning military equipment purchases and support of terrorist organizations. So if a nuclear capability does not equal hegemony, what devices are left to Iran to continue the exportation of the revolution?

Hegemonic Goals

The U.S. and GCC countries fear once Iran has rearmed it intends to intimidate its smaller GCC neighbors. Rearmament aside, Iran, without any action or rhetoric can be very intimidating to the GCC simply by its sheer size. With an estimated population of 60 million people, Iran has more people than Iraq and the GCC put together. James Bill speaking to a conference on U.S.-Iran relations puts into perspective the U.S.-GCC concerns regarding Iran:

"The very size of this country makes its smaller neighbors nervous. And its loud and sometimes threatening voice does not inspire confidence among its weaker, softly obese, hugely rich neighbors. These jittery neighbors, therefore, are happy to have the support of a world class giant that can be called in whenever they feel threatened."

To document their claims of Iran's hegemonic designs in the Persian Gulf, the U.S. and the GCC point to Iran's annexation of three small islands near the Strait of Hormuz, Abu Musa, Greater Tunb, and Lesser Tunb. These islands had been jointly administered for two decades by Iran and Sharjah (who subsequently joined the United Arab Emirates). Iran's Minister of Foreign Affairs, Velayati, stated Tehran sought Abu Musa as an "exclusive naval base to counterbalance the post-Gulf War defense alliance between the

Thooshang Amirahmadi and James Bill, ed., "The Clinton Administration And The Future of U.S.-Iran Relations," Policy Report of the Middle East Insight, no. 3 (Washington, D.C.: International Insight Inc. and the U.S.-Iran Conference, 1993), 6.

United States and the Arab states of the GCC."78 Concerning the legitimacy of Iran's claim on the islands, Iran's permanent representative to the UN - Kamal Kharrazi explains;

"We have documents that show these islands have been part of Iranian territory for centuries. For years, Britain occupied these islands, but in 1971 they decided to withdraw. Therefore, the shah sent troops to retake them based on an agreement among the British government, the Iranian government and the emirate of Sharjah. At that time, there was no UAE. The shah accepted the sovereignty of Bahrain in return for the withdrawal of the British government from the islands. We have an agreement signed in 1971 spelling out how the island of Abu Musa is to be governed by Iran and Sharjah. The security of the island has been maintained by Iran since 1971."

Responding to this claim, UAE Foreign Minister, Sheikh Hamdan bin Zeid Al Nahayyan replied;

"Let them bring them (documents) to the International Court of Justice, and we will bring our documents...We will accept any verdict the court issues, whether for or against us. If (the Iranians) refuse arbitration, it means they do not possess sovereignty."

Qatar has offered "to use its good relations with Iran to persuade Tehran to accept arbitration by the International Court of Justice to settle its territorial disputes with the UAE." The Supreme Council of the GCC met in Bahrain 19-21 December 1994, and in its closing communique discussed GCC relations with Iran and the subject of the three islands;

⁷⁸ The Washington Post, 10 December 1992.

⁷⁹Mattair, 128-129.

^{80&}quot;Discontent Grows in Bahrain," Middle East Times, (Cairo),
25-31 December 1994, 5.

"The position of the Council states which calls for preserving the security and stability of the region and establishing normal relations with neighbors based on mutual respect, noninterference in the internal affairs, refrain from use of force or threat to use it, and solving differences through peaceful means...While the Supreme Council appreciates the efforts made by the UAE to solve this dispute bilaterally, and because Iran did not show serious desire to discuss ending its occupation of the three islands...the Council urges Iran to accept referring this dispute to the International Court of Justice in its capacity as the international side specialized in solving disputes between states."

These three islands fit into Iran's scheme to control access to and from the Persian Gulf. These islands give Iran a base to place anti-ship missiles and to stage naval units to interdict maritime traffic. The strategic importance of these islands, along with anti-ship missiles along the Iranian coast, Hegu-class patrol boats with anti-shipping missiles, bottom influenced mines, Kiloclass submarines and the Su-24 Fencer, result in Iran having the capability to temporarily control or deny access to the Persian Gulf via the Strait of Hormuz. To further tip its hand, Iran presented to the UN a claim that "waters between islands not more than 24 miles apart are Iranian internal waters," a claim that cannot be supported in international law. This claim would create an "internal sea" between the Forur, Tonbs, Abu Musa, and Sirri islands, allowing Iran to control passage through this area. Iran's goal to control access to the Gulf is indisputable. However, they still have a way to go before they will be in position to influence the Strait. Iran recently lodged a complaint

^{81&}quot;Final Communique of the 15th Summit of the GCC Supreme Council in Manama on 19-21 December, 1994," Muscat Sultanate of Oman Television Network in Arabic, (21 December in FBIS-NES-94-246, 22 December 1994, 11).

with the UN Secretary General, protesting against "nuisances created for Iranian aircraft and ships by U.S. warships positioned in the Persian Gulf and the Sea of Oman." The letter claimed between October 12 and November 12 1994, an Iranian aircraft was intercepted by a U.S. plane, hindering a naval brigade exercise, filming an Iranian ship by U.S. helicopters and questioning of two Iranian tankers. As Iran continues to fortify its position in the Strait, the chance of these encounters escalating to small scale conflict increase.

Tied to Iran's claim over the three islands is Bahrain. Bahrain is the only country in the GCC with a majority population being Shiite Muslims, and Iran has periodically claimed sovereignty over it as its 14th province. This claim dates back to the 6th century Persian Sassanid Empire when Bahrain was part of the empire. The Iranian claim to Bahrain was allowed to lapse by the Shah. In December 1994 a leading Bahraini Shiite leader was arrested upon his return to Bahrain from Iran. This lead to unprecedented rioting by members of the Shiite community and resulted in Bahrain recalling its ambassador from Tehran. A statement by the Bahraini Interior Ministry said "that the incidents were accompanied by an organized foreign media and

^{82&}quot;Tehran Protests to UN Over U.S. Gulf 'Nuisances'," Tehran IRNA in English, (4 February in FBIS-NES-95-024 6 February 1995, 65).

^{83&}quot;Police Use Tear-gas, Rubber Bullets on Demonstrators," Paris
AFP in English, (6 January in FBIS-NES-95-005, 9 January 1995, 26).

propaganda campaign. Moreover, Iran spread some misleading rumors to increase tension and escalate the situation. "84 Iran's staterun radio said anti-government protests in Bahrain will "continue unless democratic reforms are introduced and social corruption is stopped." The radio also accused Bahrain's Sunni dominated regime of encouraging immigration in "an apparent attempt to decrease the large proportion of Shiites in the population."85 A letter to the British press by the Bahraini Ambassador to Britain, further implied Iran's culpability; "During December Bahrain experienced a wave of unrest deliberately provoked and supported by foreignbased terrorists bent on destabilizing the Gulf region." 86 implications were clear that Bahrain felt Iran was behind the rioting and the fact it took place two weeks before the holding of the GCC conference in Bahrain was an attempt to unsettle the GCC The U.S. and the GCC feel this is just a taste of countries. things to come from Iran. Dr. Velayati did little to allay these fears, stating during an address to the Forty-Ninth Session of the UN General Assembly that;

"The Islamic Republic of Iran, possessing the longest shoreline along the Persian Gulf and the Sea of Oman, has been well aware of

^{84&}quot;Ties with Iran said 'Soured' Over Internal Incidents," Cairo Arab Republic of Egypt in Arabic, (23 December in FBIS-NES-94-248, 27 December 1994, 21).

^{85&}quot;Iran Blames Lack of Democracy for Bahrain Unrest," Reuter (Nicosia), 16 January 1995, 1.

^{86&}quot;Envoy Questions Reports by Human Rights Group, London THE
TIMES, in English, (18 January in FBIS-NES-95-012 19 Jan 1995, 2728).

its role and responsibilities in promoting and maintaining peace and security in the area, and has spared no effort in this regard."

Iran is also at odds with Saudi Arabia over control of the Organization of Petroleum Exporting Countries (OPEC). strapped for hard currency, favors cutting production to reach a target of \$21/bbl and wants Saudi Arabia to absorb the brunt of those cuts. 88 Saudi Arabia is so heavily invested in the West, that if higher oil prices generate inflation its investments will Following relative harmony with Iran from 1990-1992, Saudi Arabia is again in dispute with Iran over the direction of Iran and Saudi are the respective leaders of two opposing camps. 90 Ahmed Zaki Yamani (current chairman of London's Centre for Global Energy Studies and former oil minister for Saudi) explains the differences as such. Iran heads the group who wants high oil prices here and now by limiting output to cause the price This group has little interest in higher per barrel to rise. volumes and expanding oil markets because it has little spare production capability. On the other side are Saudi, Kuwait (and Iraq, once UN sanctions are lifted). This group wants high volumes

⁸⁷Velayati speech to UN.

⁸⁸Amuzegar, 251. Figure based on agreement to keep reference price at \$21 as per OPEC November 1991 meeting.

⁸⁹"Oil Prices, Territorial Disputes, U.S. Security Policy and the Gulf," <u>Asian Defence Journal</u>, June 1994, 48.

⁹⁰Camp 1-Saudi Arabia, Kuwait, and eventually Iraq; Camp 2-Iran, UAE, and Venezuela (each with about 10% spare capacity); Libya, Algeria, Qatar, Nigeria, Indonesia and Gabon (very little if any spare capacity).

of production, low prices, and expanding oil markets. Their belief is that if you hold back production the non-OPEC oil countries will fill the void allowing consumer nations access to cheaper oil and OPEC will in essence lose customers. These countries have a spare capacity of around 20%. Yamani goes on to explain;

"Every time OPEC holds back collectively its oil production in defense of higher prices, countries such as these in effect hand over market share to other producers...It is true that members of OPEC fall into rival camps, but they still have an overriding common interest in ensuring that the oil market does not slide into a catastrophic free-for-all in which member states will suffer."

These two camps are also divided by countries that have both oil revenues and small populations, and have become wealthy very quickly versus countries that have large populations and oil but have still stayed relatively poor. Iran wants the higher prices to support its domestic and foreign spending policies. There are danger signs that at the current rate of consumption, "domestic requirements would take up Iran's entire oil production by the end of the first decade of the next century, leaving nothing to spare for exports." So in effect Saudi Arabia, as the de facto leader of OPEC, whether by conspiracy or not, is ensuring Iran does not become too rich too quick, having spare money to increase its military build up. Saudi Arabia now competes with Iran on

⁹¹David Knott, ed., "OPEC, Once All-Powerful, Faces a Cloudy Tomorrow," Oil & Gas Journal, 22 August 1994, 18-20.

⁹²Asian Defence Journal, 48.

^{93&}quot;Iran an Economy in Disarray," The Middle East Magazine, December 1994, 29.

separate fronts, militarily through an arms race, economically by OPEC production controls, and culturally (i.e., in the Central Asian Republics and Afghanistan), while at the same time preserving the longevity of their own oil based economy. It is estimated that at current production levels, Persian Gulf OPEC members have approximately 80 years worth of reserves. Prospects for Iran to get its wish of higher prices does not look good for the near term. According to the Middle East Economic Survey OPEC's output in December 94 rose close to the 25 million bpd levels which "does not leave OPEC much leeway in terms of maintaining even a balanced market, let alone a scenario for rising prices, in the coming year."

Iran believes the GCC countries are disproportionately in control of far too many of the Gulf region's oil resources. Sixty million Iranians possess 12 percent of the world's proven oil resources, whereas approximately 15 million GCC citizens possess 50 percent of those resources, with disparaging differences in per capita income: an average of \$500 in Iran and \$10,000 in the GCC. 96

Iran's attempts to dictate terms to OPEC worry the GCC

⁹⁴Ibid., 17-20, Early 1994 saw oil prices fall to less than \$12/bbl, but by adhering to OPEC quotas and an increase demand, oil prices recovered by mid-year to more than \$17/bbl.

^{95&}lt;u>Middle East Economic Survey</u>, 16 January 1995, Official OPEC ceiling is 24.52 million bpd (barrels per day).

[%]Anthony, 113.

countries, and cause them to tighten their relationships with the U.S. to ensure Iran cannot forcefully make them submit to its oil policies. Desert Storm is still in the minds of the GCC rulers and one of the main reasons Iraq invaded Kuwait, was that Hussein was at odds with OPEC countries who would not keep production down for higher prices to help rebuild Iraq's post-war economy. Then Kuwait and the UAE were over-producing and refused to agree with Iraq for fear Iraq would use the extra money to build its military even more. Deja Vu!

Exporting the Revolution

A strong military also gives Tehran more leverage in its desires to serve as a model for future Islamic governments. In its opportunistic way, Iran has been quick to seize causes which confront Arab secular governments and the Arab-Israeli peace process, providing support through rhetoric, money, and even troops. Syria has allowed the stationing of some 2,000 Iranian Revolutionary Guard troops in the Beka Valley who train the Hizbollah in their cause against Israel and provide them arms along with financial support. 97 In October 1992 Hamas opened an office in Teheran and Iran agreed to provide training and funding to Hamas fighters. Iran supplies Sudan with arms and ammunition and uses it as a training ground for Islamic and Palestinian terrorists. Iran's Revolutionary Guard trains Sudan's national militia. 98 It is also claimed, mainly by the host countries that Iran supports radical Islamic fundamentalist movements such as Egypt's al-Jihad, Algeria's Islamic Salvation Front, and Tunisia's al-Nahda.99

While Iran's efforts to export its revolution have been limited to situational opportunism, it takes pride in taking on the West and its surrogates. Iran's permanent representative to the UN, Kamal Kharrazi explains;

⁹⁷Chubin, 12.

⁹⁸Kemp, 63.

⁹⁹Kemp, 63-64.

"All Third World countries pin their hopes on Iran for the success of their struggle and this is one of the reasons the U.S. and the Zionists are putting pressure on Tehran." 100

Hooshang Amirahmadi believes the Islamic movements around the Middle East contribute to Iran's prestige in the region in three major ways;

"They boost Iran's power and bargaining leverage; they act as legitimizing tools for the whole concept of Islam as a political ideology: and they are a source of strategic purpose and direction."

Ayatollah Khamenei also states other nations need not adopt Iran's structures but they should imitate its attitude:

"Steadfast, unyielding, uncompromising, an inflexible spirit in the face of global power and world domination." 102

Since 1984 Iran has been on the U.S. State Department's list of countries that sponsor international terrorism. Being the self-proclaimed spokesman for Shiite and oppressed Muslims throughout the world, Iran has crossed ethnic boundaries and became one of the most vocal critics of the Arab-Israeli peace accords. While not directly confronting the Israelis, Iranian support of Hamas and Hizbollah, which is estimated to be approximately \$100 million a

^{100&}quot;Kharrazi Interviewed on Israeli 'Threat'," Tehran Times in English, (14 Jan in FBIS-NES-95-012 19 Jan 1995, 61).

¹⁰¹Hooshang Amirahmadi, "Terrorist Nation or Scapegoat? Taking a Close Look at Iran and the 'Islamic Threat'," Middle East Insight, September-October 1994, 28.

¹⁰²Chubin, 12.

year, certainly helps continue the unrest in Lebanon and Israel. 103
Iran is not the only Middle Eastern entity providing financial support to Hamas, Saudi Arabia and Kuwait have contributed \$30 million since Desert Storm. 104 The supposed difference is that it is private citizens from Saudi Arabia and Kuwait that are providing the financial support as opposed to the government of Iran.

Barbara Bodine, Coordinator for Counterterrorism, Department of State, testified before the Subcommittee on International Security, International Organization, and Human Rights, House Foreign Affairs Committee, documenting Hizbollah terrorist acts worldwide. Commenting on the 1992 Israeli embassy attack in Buenos Aires, Argentina, she said;

"That attack was clearly the work of *Hizbollah*, the terrorist group created by Iran and which has undertaken some of the world's most repulsive acts of terrorism, particularly hostage-taking and murder in Lebanon during the 1980's. *Hizbollah* publicly claimed responsibility for bombing the embassy and, when this claim was questioned by the Lebanese Government, the group released a video of the embassy taken during a surveillance operation in order to authenticate its claim."

Regarding the Argentine Israeli Mutual Association (AMIA)

¹⁰³Chubin, 14.

¹⁰⁴ James Bill, "The United States and Iran: Mutual Mythologies," 101.

¹⁰⁵ Barbara Bodine, "Statement," U.S. Congress, House, Subcommittee on International Security, International Organization, and Human Rights, House Foreign Affairs Committee, <u>Terrorist Attacks in Buenos Aires</u>, London, and Panama, Hearings (Washington D.C., U.S. Govt. Print. Off., 1994), 89.

bombing she said while Hizbollah has denied culpability, "it certainly has the hallmarks of a Hizbollah operation." A group using the name Ansar al'Allah, made a statement about the attack and Bodine remarked this group "appears to be an offshoot of Hizbollah." She also implied Hizbollah complicity in the bombing of a commuter plane outside Colon, Panama, citing during Ansar al'Allah's statement regarding the AMIA bombing included a reference to the aircraft bombing. This reference was well before "aviation experts determined that the plane had, in fact, been bombed." In her testimony she remarked on the July 1994 London bombings of the Israeli consulate and an office of a Jewish social services agency. The two attacks in London were claimed in Beirut by a group calling itself "Movement of the Oppressed." Bodine claims, "The name used in the statement, as well as the means used to make the claim, suggest that the statement is both authentic and made on behalf of Hizbollah. "106

One of the most celebrated cases of Iran's terrorist campaign is of course the fatwa, or religious decree, placed on British author Salman Rushdie, offering a bounty of \$2 million for his death. Peter Janke writing in RUSI Journal, August 1993 claims that "Rushdie, allows the Iranian regime to pose as the repository of Islamic revival and of Islamic virtue, and is therefore useful in promoting its foreign policy." To the West the fatwa is an example of how far Iran has distanced themselves from the

¹⁰⁶ Ibid., 89-90.

Another aspect of the terrorist claims against Iran, has been their support of political assassinations against their opponents and critics abroad. These individuals did not necessarily take up arms, or encourage others to, against Tehran's ruling regime but rather presented a threat by either their popularity or ideas to the clergy's reign. A U.S. State Department report on global terrorism claim "acts of terrorism are approved at the highest levels of the Iranian government." A partial list of assassinations that have been attributed to Iran include;

The Shah's nephew, Prince Shahriyar Shafiq, was killed in Paris in 1979.

General Ghulam Hosein Ovaisi, former commander of Iranian land forces under the Shah, was assassinated in Paris in 1984.

Former Iranian Prime Minister Shapur Bakhtiar was murdered near Paris in 1991.

Ehud Sadan, chief security officer at the Israeli embassy in Turkey was killed March 7, 1992.

Hitoshi Igarashi, Japanese translator of "The Satanic Verses," was stabbed to death in 1991.

Ettore Capriolo, Italian translator of "The Satanic Verses," was injured in a knife attack in 1991.

¹⁰⁷According to the Islamic Republic News Agency, the official Islamic Propagation Organization announced a "great competition" in Rushdie's dishonor in February 1995. The best short story about Rushdie and "his moments of fear and anxiety" under the death threat will win ten gold coins.

William Nygaard, Oslo publisher that issued "The Satanic Verses" in Norwegian, was shot and wounded in October 1993.

In a speech to The Washington Institute 17 May, 1994, National Security Adviser Anthony Lake put the U.S. view of Iran's "Islamic Revolution" in perspective;

"What distinguishes Islamic extremism is that it uses religion to cover its real intentions—the naked pursuit of political power. In the midst of this challenge, the U.S. must join hands with willing nations and build regional bulwarks against extremism." 108

The extent of influence Tehran has over Hizbollah and Hamas is not really known. While not necessarily partaking in the planning and execution of terrorist operations, it is naive to believe Tehran is not privy to the fact operations are being planned and conducted. Iran will continue to support these two groups as long as they continue to conduct terrorist acts in-line with Iranian goals. Use of these terrorist networks provides Iran deniability in its assassinations of opposition members worldwide, by having non-Iranians carry out the dirty work. Syria holds the key to reigning in Hizbollah. Once Syria makes peace with Israel, Damascus will have to control Hizbollah for the peace to last. Since the pipeline to Hizbollah goes from Tehran to Damascus, this would effectively relegate Tehran to a minor role in the region once again.

¹⁰⁸Lake's speech, 3-4.

Iran's condoning of Hizbollah and Hamas, along with the assassinations of opposition members, partially accounts for Iran's isolation from the international community. The other problems; i.e., quest for unconventional weapons, hegemonic goals, and the export of its revolution, all exist in one form or another in countries throughout the region and the world and can be dealt with by effective diplomacy. It is Iran's support of terrorist activities which allows the West to continue to represent Iran as one of the worlds leading "rogue" states.

Muslim Support Worldwide

Iran's revolutionary rhetoric is considered somewhat inflammatory, however, one should focus more on action to determine Iran's role in spreading its Islamic zeal throughout the Middle East and Central Asia. Iran's regime would like the world to think of Iran as the standard bearers or architects for an "Islamic" government. Furthermore, Iran claims that they are standing up for persecuted Muslims throughout the world, who are "revolting" against repressive secular regimes. This perception allows Tehran's clerics to keep the revolution alive among Iranians, while allowing the government to excuse the domestic economy's poor performance.

Iran's revolutionary appeal has not caught on outside the Shiite world. Despite claims by foreign governments of Iran's

culpability in various Islamic movements in Egypt, Algeria, Jordan and Tunisia, Iran has little direct influence. These movements have not developed as a result of the Iranian revolution influence and direction, as many governments under seize by Islamic movements would claim. Rather, these movements are the result of poor economic conditions, lack of political participation, and a quest for power by groups who have not been allowed to participate fully in their respective countries. Iran is quick to support these movements with rhetoric, people, and perhaps money, but the truth of the matter is, if Iran went away tomorrow these movements would not.

Iran's support of Hizbollah and Hamas are a totally different story. Hizbollah and Hamas are groups that are fighting for the return of their homelands in Lebanon and the occupied territories. In the view of Tehran, these groups are attempting not to replace a legitimate government, but to defeat an occupying enemy. Iran likens it support of these two groups to U.S. support of Afghanistan rebels against the forces of the then Soviet Union. Iran has had some diplomatic success in the Arab-Israeli conflict as evidenced by the Hizbollah cease-fire agreed upon in July 1993. Also, Iranian foreign minister Velayati was instrumental in achieving the release of Palestinian held Western hostages, reportedly after Iran paid what could be called a ransom. More importantly, Iran's cleric regime is no longer condemning the peace process. While they doubt that the current peace process will be

productive, they have agreed not to interfere if that is what the two sides want.

While Iran would like to have a say in "Islamic" movements around the globe, its domestic situation is more important. Domestic factors limiting Iran's ability to export its revolution are evident where the ruling regime has become more xenophobic, more ideologically determined, economically deficient, and politically repressive in its attempts to remain in power. The fact there is no one central figure in charge results in policy being made after political battles among the various factions and deals made to form coalitions. Ali Banuazizi, writing in Middle East Report, best explains the different ideology and popular appeal of the competing camps;

"The conservatives, following the traditional Islamic jurisprudence, upheld the sanctity of private property and advocated a limited role for the state in the economy. The radicals, basing their position on what they described as progressive jurisprudence, considered greater social justice and a better life for the impoverished masses to be a fundamental duty of the revolutionary state. They advocated economic self-sufficiency, limits on agricultural land holding, state controls over major sectors of the economy, and progressive labor and social welfare legislations."

He goes on to point out major differences in foreign policy and cultural issues whereas the radicals did not want to make overtures to the U.S. and the West, while the conservatives wanted to normalize Iran's international relations while at the same time still keeping out the cultural influences of the West.

Differentiating between the two camps, Banuazizi points out support for the conservatives came from the traditional clergy, merchants, and traditional middle class. While the radicals gained their support from the younger, more militant clergy, Islamic associations in the universities, and others from "revolutionary organizations." Then during the 1980's, "a third more pragmatic, faction had emerged under the leadership of then-speaker of the Majlis, Ali Akbar Hashemi Rafsanjani. For the most part, they tended to be less doctrinaire in their approach to policy issues. They drew their support primarily from the modern middle classes, including government employees, technocrats and professionals, and from certain elements of the business community." 109

Banuazizi goes on to say, due to the lack of performance from Rafsanjani's 5 year economic plan, a new group has formed in the Majlis that often time finds support from Ayatollah Khamenei, the "hardliners."

"The hardliners, consisting of conservatives and at times, depending on the nature of the issues, the holdover radical deputies. The ideological differences between the hardliners and the moderates still revolve around the three fundamental issues of state intervention in the economy, relations with the West, and enforcement of strict Islamic codes of conduct." 110

¹⁰⁹Ali Banuazizi, "Iran's Revolutionary Impasse; Political Factionalism and Societal Resistance," <u>Middle East Report</u>, November-December, 1994, 2 and 4.

¹¹⁰ Ibid., 4.

Farzin Sarabi provides an example of the direction of Iranian politics;

"The holding of regular elections is gradually developing into a process of regulating factional rivalry between Iran's religious power blocs. Additionally, the government is keenly aware that as its revolutionary populist appeal declines, its participatory aspects gain significance in mitigating the widening gap between the rulers and the ruled and in enhancing the government's legitimacy." 111

This fractious form of government hinders Tehran's ability to implement foreign and domestic policy soundly. Lawmakers are more concerned with being religiously correct than politically sound. With little or no practical political or economic expertise, the members of the Majlis rely on their revolutionary zeal and Islamic piety to form coalitions and to obtain consensus. While this excuse of inexperience was feasible immediately following the revolution, the clerics are finding it difficult to garner popular support as after nearly two decades of rule Iranians are finding themselves worse off then they were during the Shah. When asked about the law on forming political parties or groups, 'Ali Mohammad Besharati, Iran's Interior Minister, replied;

"Seventy political parties and trade unions have obtained licence from the Interior Ministry and that any group not opposed to the Islamic Republic of Iran and its constitution will be issued

¹¹¹Farzin Sarabi, "The Post-Khomeini Era in Iran: The Elections of the Fourth Islamic Majlis," <u>Middle East Journal</u>, 48, no.1, Winter 1994, 89.

a licence."112

The key to this statement is "any group not opposed to" Iran. While Tehran is quick to point out its government's democratic process, the aforementioned statement, shows they are still some way from a democracy. This inclination to restrict political participation was one aspect of the revolution which overthrew the Shah. As the population becomes more educated there will be an increased demand for political participation by all parties, regardless of view.

Adding to the difficulties of political harmony is the fact, fifteen years after the revolution that toppled the Peacock Throne, the promised better life has not come to fruition. Since the revolution, Iran's population has jumped from 34 million to approximately 62 million people, with 70% under 25 years of age. The Gross Domestic Product (GDP) is still near 1978-79 levels, with inflation running at least 40% per year, and its foreign debt above \$33 million. The war with Iraq cost Iran \$97.2 billion in output capabilities. Iran has gone from a very wealthy nation to a debtor one. This will also impact its domestic and foreign

^{112&}quot;Precautionary Border Measures Being Taken," Tehran IRNA in English, (30 January in FBIS-NES-95-020 31 January 1995, 67).

¹¹³Robin Wright, "In Iran, the Revolution Unravels," <u>Los Angeles</u> <u>Times</u>, 2 December 1994, 1(A) and 27(A).

¹¹⁴Amuzegar, 305, This figure was an estimate from a UN team that was able to calculate the damage to production and service facilities.

policy decisions. As pointed out before, Iran has had to reschedule repayment of numerous loans to European countries and Japan. As Iran is slowly pulled into the international community its policies will have to conform to internationally accepted standards or else it will see itself ostracized from the West completely.

Iranian dissatisfaction with the "revolution" is beginning to surface in various ways. From August 1991 to August 1994, Tehran's attempts to evict squatter cities have resulted in major upheavals in cities such as Tehran, Shiraz, Arak, Mashhad, and Khoramabad. There have also been clashes in Ghazvin, Zahedan, and Tabriz, and frequent minor clashes in many other urban centers. There have been demonstrations and bombing attacks in Baluchistan, and attacks on Western embassies in Tehran in January 1994 and the Syrian embassy in March 1994. There was an assassination attempt against President Rafsanjani in February 1994 while addressing a crowd outside the gold-domed mausoleum of the late Ayatollah Khomeini in Tehran on the 15th anniversary of the revolution. All revolutionary concessions gained by the "downtrodden" such as land and worker reforms were eventually overturned by the clerics

¹¹⁵ Asef Bayat, "Squatters and the State; Back Street Politics in the Islamic Republic," <u>Middle East Report</u>, November-December 1994, 10.

^{116&}quot;Oil Prices, Territorial Disputes, U.S. Security Policy and the Gulf," Asian Defence Journal, June 1994, 51.

¹¹⁷Thomas Sanction, "The Plots Thicken," The Time INC., (Paris), February 1994, 1.

and returned to status quo. The ruling clerics defend their poor domestic economic record, claiming that the low wages, insufficient medical care and schools, inflation, and high unemployment in Iran are the of carrying the banner of "Islam" throughout the world. However, as Moaddel points out;

"The revolution did not end arbitrary rule, nor did it expand the collective capacity of the dominated classes. Workers did not gain the right to strike and form unions, and the land reform movement failed. With the end of the revolution, Islamic discourse became the ideology of power...Islam was no longer the most important organizing principle in society." 19

In an interview by Navid Kermani in Tehran with Mehdi Bazargan, leader of the Iranian Liberation Movement and the first prime minister of the Islamic Republic, Bazargan mentioned he, Ebrahim Yazdi, and Ahmad Sabaqian had a talk with Rafsanjani when they were still represented in parliament. "When we complained about the lack of freedom, he interrupted us and said: When the Shah gave us freedom, we drove him out of the country. We will not repeat this mistake." 120

Other Iranian leaders are also beginning to speak out against

¹¹⁸ Mansoor Moaddel, <u>Class, Politics, and Ideology in the Iranian</u> Revolution (New York: Columbia University Press, 1993), 235-237.

¹¹⁹Ibid., 256-257.

^{120&}quot;Opposition Leader View Current Situation," Frankfurt/Main FRANKFURTER RUNDSCHAU, in German, (12 Jan in FBIS-NES-95-009 13 January 1995, 47-48). Mehdi Bazargan died 20 January 1995 of an apparent heart attack in Switzerland while travelling to the U.S. for specialized treatment, he was 87.

the present regime. Most notably the senior Ayatollah Seyyed Sadeq Rowhani, who in an open letter to authorities stated life in Iran these days is "unbearable for those who abide by the true principles of our Islamic faith." He went on to accuse the Iranian government of "violation of the basic principles of Islam," claiming the government is pursuing a policy aimed at "distorting Islam in this country and harming and destroying it in various parts of the world." He went on to say he had been invited to visit Syria by Syrian President al-Asad, however the government denied his departure. He wishes to emigrate to another Muslim state because he finds life in Iran "unbearable." He cites as examples of Iran's departure from Islam;

1. The formation of the "Settlements Council," an illegitimate body with powers to interpret and even suspend Islamic rules.

2. The government claims demonstrations against the U.S. is one of the main duties of hajj but, Rowhani says, that is a false claim aimed at fomenting sedition between Muslims.

3. Storming of people's homes at night...He says intelligence agents carry out such raids on the pretext of searching for alcoholic drinks and other banned items.

4. Systematic violation of people's property. The government has confiscated the properties of about 1 million people since 1979.

5. The government is trying to interfere in the matter of the source of emulation by promoting minor mullahs sympathetic with the government.

6. Forging of fatwas in Khomeini's name. Rowhani says he himself had written fatwas for Khomeini that would repudiate some of the recent decisions made by the government on the pretext they were Khomeini fatwas. 121

In another similar incident, General Azizollah Amir Rahimi, former commander of the Iranian Army military police, sent an open

^{121 &}quot;Rowhani Asks Iranian Authorities to Grant Him Exit Visa So He Can Leave the Country," London <u>Al-Sharq Al-Awsat</u> in Arabic, (25 January in FBIS-NES-95-021, 1 February 1995, 60-61).

letter to the government warning that the continuation of the present regime would lead to the "total annihilation of Iran and Islam." He called on the government to "step down immediately" and;

-Allow exiled Iranians to return and hand back confiscated property.

- -Establish the rule of law.
- -Allow free parliamentary and presidential elections.
- -Rehabilitation of dismissed military officers.
- -General amnesty for all political prisoners.
- -Punishment of those responsible for the execution without trial of our young people. 122

Also it was reported in August 1994, four generals, speaking on behalf of all Iranian armed forces, including the Revolutionary Guards, warned the political leadership Iran was in "danger from external assaults and internal disintegration." 123

So while Iran would like to see a continuance of its "Islamic revolution" throughout the world, its inability to put its own house in order means Tehran's rhetoric often time falls on deaf ears. Of course, these Islamic movements across the Middle East and Central Asia will gladly accept any financial support provided

¹²² Safa Haeri, "Iranian General Calls for End of Rule by Clerics," The Independent, 28 September 1994.

¹²³ Ibid.

by Iran. But it is Iran's domestic economic situation which prohibits it from providing substantial enough support to be able to influence the situation. Banuazizi states; "As the hegemonic ideology of a modern bureaucratic state, Islam is no less susceptible to the corrupting influences of power and privilege than other ideologies." He quotes Bazargan "the main threat in Iran today to Islam as a faith is the experience of people under the Islamic government."

Tehran faces a real dilemma, on the one hand it wishes to continue to display its revolution as a success for "Islamic fundamentalists." While on the other, its precarious domestic situation tells another story. Along with this, riots are happening and senior government and religious officials are calling for the ruling clerics to step down. Iran is in debt and has a population some of which is now questioning the legitimacy of its Tehran will not be able to continue to export the leaders. revolution at the expense of domestic programs. Diverting more money to domestic causes will of course decrease defense spending and support of foreign "Islamic" causes. The more Iran waits to fix its domestic problems, the closer it comes to internal unrest. The Revolutionary Guard is currently used in an internal security role but they only number approximately 20,000 men. 125 Perhaps the

¹²⁴Ali Banuazizi, "Iran's Revolutionary Impasse; Political Factionalism and Societal Resistance," <u>Middle East Report</u>, November-December, 1994, 2.

¹²⁵Chubin, 37.

ones most concerned with internal unrest in Iran, are the GCC countries. Bahrain with its majority Shiite population and Saudi Arabia with a large percentage of Shiite in its eastern province, have had difficulties in the past with the linkage between these communities and Iran.

U.S. and the GCC Relationship

The Persian Gulf is quickly changing. For the last twenty years the GCC states have enjoyed the benefits of oil revenues, permitting them to spend indiscriminately to keep their citizens content through subsidies, educational and health benefits, and security. With the decline of oil revenues and with the population increases and regional instability taking their toll, these countries are having to cut back on their welfare spending. At the same time, following Iraq's invasion of Kuwait, the GCC countries are undergoing military buildups that adversely limit the amount of money that may be spent on domestic needs. Because of the perceived threat Iran and a revitalized Iraq present, the GCC has also had to establish security arrangements with the U.S. and other Western countries, often times requiring Western presence in the respective countries. Such presence has been avoided in the past, to keep the liberal influences of the West from infringing upon the Islamic way of life. It also leaves the regimes open to criticism from opposition groups and clerical leaders. What this means is, while the U.S. and the West are currently welcomed into the Persian Gulf, they can just as quickly become persona non grata. For the U.S. and its allies long term stability in this region will not come from these individual security arrangements that neglect to include Iran or provide a consensus among the GCC. The presence of the West will be required to provide a security umbrella for the GCC who cannot currently compete militarily with either Iran or

Iraq.

In 1976, just before the Iranian Revolution, there were about 57 million people living on the shores of the Persian Gulf. Today, there are 91 million people. By the year 2010, there are solid estimates of about 172 million people. Henry Azzam, chief economist at Saudi Arabia's National Commercial Bank illustrates this changing economic phenomenon with the following projections for changes in GDP (15 January 1995);

Country	<u>1994</u>	<u>1995</u>
Saudi Arabia	0.6	-1.5
United Arab Emirates	6.9	0.5
Kuwait	12.0	2.0
Oman	-3.5	0.6
Bahrain	0.5	0.0
Qatar	-2.0	-2.0

Saudi is dramatically increasing domestic charges on heavily subsidized fuel, water, electricity and other services. Azzam said it was important Gulf governments persist in their economic reforms, even if it caused stagnation in the short term.

Competing with domestic economic issues for petrol dollars is

¹²⁶Gary Sick, "U.S. Interest in Iran and U.S. Iran Policy," in U.S.-Iran Relations: Areas of Tension and Mutual Interest, 18.

an unprecedented arms buildup following Desert Storm by the GCC countries and Iran. The GCC embarked on a massive military spending spree which has seen over \$40 billion of sophisticated Western arms transferred to the region since 1990. 127 At the same time all the GCC countries, except Saudi Arabia have signed some sort of defense cooperation agreements with either the U.S., Great Britain or France. 128 Kuwait singed a ten-year defense pact with the U.S. on September 19, 1991, which involved prepositioning heavy military equipment in Kuwait.

According to a study conducted by RAND, Saudi senior family members acknowledged Iran and Iraq were still Saudi Arabia's greatest concerns in the region and on the most part the assumption by these family members was that Saudi Arabia, Iran and Iraq, would "all three pursue competitive, even hegemonic, objectives." 129

As for regional security arrangements, the GCC was born in 1981 in large part as a response to the revolution which took place in Iran; a regional organization would provide the six member states with strength in unity. The GCC would provide for their collective security; provide for the economic well-being of their people; advance the cause of Arab unity; and preserve their

¹²⁷Rathmell, 318.

¹²⁸ Joseph Kechichian, <u>Political Dynamics and Security in the Arabian Peninsula Through the 1990's</u>, (Santa Monica, California: RAND, 1993), 88-91.

¹²⁹Ibid., 58.

cultural heritage. 130 There has been a couple of attempts at forming organizations but they have not come to fruition as the GCC states are as wary of each other as they are of Iran and Iraq. They would rather sign bilateral agreements with the U.S., Great Britain, and France, rather than a regional one which could legitimize either Saudi or Omani power base. Following Desert Storm eight nations signed the Damascus Declaration, which proposed that Egypt and Syria along with the six GCC countries, create a regional security plan, but this was never implemented. Also Oman floated the idea of creating a 100,000 man GCC army called the "Peninsula Shield," but that proposal was not acceptable to Saudi However, at the latest GCC meeting in Arabia and the UAE. 131 Manama, 19-21 December 1994, the Supreme Council commented on the mutual security arrangements agreed to and stated the idea of "Peninsula Shield" was resurrected;

"Out of the Supreme Council's wish to upgrade the collective defense capability of the GCC states, increase their ability to confront crises, and promote their combat efficiency, the Supreme Council has decided to take steps to build their (GCC states) own defensive strength under a unified strategy which will place all available resources at the service of Gulf security.

The Supreme Council also decided to develop the Peninsula Shield Force, so it can carry out effective and rapid movement." 132

The GCC countries have not been successful in forming military

¹³⁰ Emile A. Nakhleh, <u>The Gulf Cooperation Council, Policies, Problems and Prospects</u>, (New York: Praeger Publishers, 1986), 51.

¹³¹Kechichian, 92.

^{132#}Final Communique of the 15th Summit of the GCC Supreme Council in Manama on 19-21 December, 1994, 12.

arrangements among themselves for a variety of reasons. These regimes have always mistrusted military power for fear it could be used in a coup against them. Also the GCC countries have been able to rely on their wealth in the past and outfit their militaries with expatriates whose loyalty would always be questionable. These doubts were proven in Kuwait when many of the expatriate soldiers fled rather than fight against the Iraqis. Even with the real or imagined threats of Iran and Iraq, they are finding it difficult to join forces more from distrust of each other than anything else. Anthony H. Cordesman, a military expert on the Gulf, writes that the GCC countries make arms purchases based on the political ties with the supplier nation, and emphasize the procurement of the most expensive and sophisticated weaponry available. He states;

"It will be years before these states place a proper emphasis on actual effectiveness in their approach to weapons use, training, sustainability, interoperatbility, combined arms and combined operations, unit cohesion, and all the other factors that create real deterrent and war fighting capabilities." 133

The U.S. feels the GCC is the avenue to be able to maintain a presence in the Gulf without simply having to force its way in. The U.S. is helping build the GCC countries militarily, to hopefully one day be able to defend their selves. However, there is little evidence to suggest the GCC countries will ever reach this point. As long as Iran and Iraq pose a threat the GCC will

¹³³Anthony Cordesman, "Western Policy and Security Trends in the Middle East," The Royal United Services Institute Journal, June 1993, 10.

rely on the U.S. for protection. So, in essence, it is good from a U.S. standpoint for Iran to continue its hegemonic rhetoric and its subversive actions in the Gulf; i.e., instigating Bahrain unrest, takeover of Abu Musa, etc., for then continued U.S. presence in the Gulf is assured.

Iran on the other hand has seen itself rebuffed in attempting to create a Gulf security organization. Iran views Persian Gulf security as a regional problem not requiring outside interference. In his speech to the Forty-Ninth Session of the UN General Assembly, Velayati, remarked on Iran's perspective regarding regional security arrangements in the Persian Gulf;

"We firmly believe in the imperative of developing regional security arrangements that ensures the participation of all Persian Gulf countries. Such arrangements would diminish the arms race and guarantee the free flow of oil and economic development and prosperity in the area. . . . We propose here the creation of a forum with the participation of the Persian Gulf countries to review and develop confidence building measures compatible with the requirements of the region. Maintaining security in the Persian Gulf is the responsibility of the countries surrounding this strategic waterway. Foreign governments, which have often been the source of instability and insecurity in the region, should support collective regional initiatives for cooperation and refrain from sowing discord and tension and other divisive policies to which they have historically resorted in order to preserve their interests and justify their presence."

Kamal Kharazi, Ambassador of the Islamic Republic of Iran to the United Nations further substantiates Iran's view;

"The security of the Persian Gulf is very important to our national security. But we believe that it is the littoral states' responsibility to make arrangements for it. . . . We have tried our

best to convince these southern states of the Persian Gulf that eventually we have to get together and come up with a security plan. But it seems that they are under pressure from outside powers, especially the United States." 134

He goes on to say;

"We think that the American military presence in the Persian Gulf region is not helpful. It increases tension among these nations. It is through genuine cooperation among states in the Persian Gulf, especially economic cooperation, that the security of the region can be maintained. The flow of oil is important not only to the states in the region but to everyone around the world, and that is why maintenance of security is very important to all of us." 135

These quotes illustrate how deeply concerned Iran is with the U.S. presence in the Persian Gulf. Also how frustrated they are their overtures to the GCC countries are not being accepted. history of "culturalcountries have always had a Arab civilizational-geographical" differences with Tehran no matter who was in power. 136 According to an editorial by Muhammad al-Rumayhi, editor of a Kuwaiti newspaper, the GCC countries seek relations with Iran which would "emphasize noninterference in internal affairs, the nonexport of ideas of encouragement of terrorism, and a policy coexistence and good the of of adoption neighborliness. "137

¹³⁴ Mattair, 128.

¹³⁵Ibid., 129.

^{136&}quot;Iran-Gulf Countries' Ties Said in Perpetual Trouble, "London AL-HAYAH in Arabic, (28 Dec 94 in FBIS-NES-95-025 7 February 1995, 2).

¹³⁷Ibid., 3.

The editorial further lists events which portray Iran as being a destabilizing factor in the region, for example; Iran provided rhetorical support for the rebels who seized the Grand Mosque in Mecca in the fall of 1979; the burning of the U.S. embassy by pro-Iranian militants in Pakistan; Iranian complicity in the attempted coup d'etat in Bahrain in 1981; and in their general threatening proclamations originating in Tehran against the GCC governments throughout most of the 1980's. 138 GCC officials view Iran differently now realizing the post-Khomeini leadership has acted fairly conservatively in its behavior toward the newly independent Islamic countries in Central Asia. 139

It behooves both the GCC and Iran to solve their differences quietly without allowing Western interests worrying about the security of Persian Gulf oil to use that excuse to move into the area on a more permanent basis. Oman argues Iran and even post-Saddam Hussein Iraq should participate in a regional security setup if the region is to ever see long term stability. Also, the GCC states need to take a more cautious approach to the weapon buying schemes and ensure they have the support personnel and support equipment for the more sophisticated military equipment being purchased. Regional stability means different things to the U.S. and GCC. For the U.S. it means unobstructed access to and from the

¹³⁸ John Duke Anthony, "Iran in GCC Dynamics," Middle East Policy, vol 2 no 3, Summer 1993, 110.

¹³⁹Anthony, 108.

Gulf for its naval units and the flow of oil, while to the GCC it equates to sovereignty and regime stability. In an editorial by Mohammad Kazem Anbarluyi, he discusses what are the perceived U.S. and Iran common interests in the Persian Gulf region as broadcast by Voice of America,

- a. Persian Gulf security
- b. What will happen to Saddam Hussein, also concerns about situation of Kurds as well as the Shiites of South Iraq
- c. Common interests in Central Asia, northwest Asia, and the Caucasus. Russia is interfering in Tajikistan, Turkmenistan, and Chechnya.
 - d. Fratricide in Afghanistan¹⁴⁰

Along with the GCC concerns about Iran, there is dissention among the membership. Each GCC country has at least one border squabble with another GCC country; Saudi Arabia with Kuwait over the islands of Qarawah and Umm al Mareden, Saudi Arabia with Oman and UAE; and Bahrain and Qatar over the Hawar islands. While these border squabbles are certainly the outgrowth of drawing lines in the sand during the decolonization of the region, these conflicts could easily escalate into armed conflict much as the Saudi-Yemen dispute did recently. The danger for the U.S. is by signing bilateral agreements with the individual countries it may find itself brokering these border disputes and being asked to side

¹⁴⁰"Editorial Views Relations With U.S.," Tehran RESALAT in Persian, (2 January in FBIS-NES-95-007, 11 January 1995, 57-58).

against an important ally.

The GCC countries do not have to look outside their borders for looming problems. The decline in oil prices can not keep up This will force many GCC with exponential population growth. countries to re-look at their social welfare programs, which have been stabilizing controls in the past. Additional problems waiting in the wings are the independent Islamic fundamentalist movements in each of these countries and the lack of political participation afforded the majority of the citizens by the current ruling regimes of the secular governments (see Appendix, Tables 1-3). Arabia, for example, the catalysts of the new fundamentalist movements include both foreign and domestic factors-"declining oil living standards, socioeconomic inequity amid and revenues increasing urbanization, the impact of modernization and the spread of Western cultural influences, the kingdom's vulnerability to threats from Iran and Iraq, the growing strength of Islamist movements in the Arab world, and the contradictions between the kingdom's pro-Western orientation and its support of Islamism at home and abroad." While these are not necessarily harbingers of revolution, the U.S. must recognize the inherent instability of the GCC countries and the Persian Gulf region as a whole. The RAND study cited earlier provides some key challenges which face the GCC countries in the coming years;

¹⁴¹R. Hrair Dekmejian, "The Rise of Political Islamism in Saudi Arabia," <u>Middle East Institute</u>, 48 no. 4, Autumn 1994, 629-630.

- -The rapid rates of population growth with a large proportion of restive youth left out of the traditional political processes;
 - -The emphasis on education for manpower development;
- -Indigenous manpower shortages, which required a substantial expatriate presence;
 - -The expansion of government bureaucracies;
 - -Economic diversification programs away from oil;
- -The adaptation of reinvigorated political institutions (Majlis, as-Shuras and parliaments) introduced at very slow paces;
- -Indigenous populations facing the need to reconcile and synthesize traditional moral values with emerging social norms. 142 Rather than gamble on the chance the GCC states can maintain the status quo, long term stability in the Persian Gulf should be sought with the inclusion of Iran and eventually Iraq. Some of the paths to achieving this stability are;
- (1) De-escalation of military buildup in Gulf. There must be some form of a viable arms control program.
- (2) Nuclear proliferation. Nonproliferation cannot be accomplished without Israeli participation in a nonproliferation regime.
- (3) Assurances from the U.S. that it will ensure GCC countries military aid against hegemonic overtures from Iran or Iraq.

The current U.S. administration, as stated by Martin Indyck, does not:

¹⁴² Kechichian, 73.

"Need to depend on either Iraq or Iran to maintain a favorable balance in the Gulf or in the region more generally to protect our friends and to promote our interests and their interests in peace and stability in the Gulf and in the Middle East. And we are confident a year into this administration that we can maintain this situation for some time, in large measure because there is a common understanding and common agreement with our regional friends about the nature of the threats that they and we face and how best to deal with them."

The U.S. and its Western allies are riding on the enthusiasm brought about by Desert Storm and the recent October scare on the Kuwaiti border. The GCC countries were impressed with how easily and quickly the coalition forces, with a minimum lose of life, could force Iraq from Kuwait. In an attempt to avoid a repeat of Iraq's invasion of Kuwait, the GCC countries are gobbling up sophisticated weaponry, without concern for its integration into their respective forces or interoperability among all forces. The U.S. is supporting this buildup to counter the Iranian and Iraqi threat. The GCC states know that while they are building militaries possessing deadly equipment they are still no match for either Iran or Iraq. So essentially the U.S. is putting all its eggs in one basket, hoping the GCC countries internal stability problems can be managed.

An alternative view has been proposed by House Speaker Newt Gingrich, speaking to a conference of military intelligence officers said, "The eventual, forced replacement of Iran's Islamic

¹⁴³Martin Indyck, in "Symposium on Dual Containment: U.S. Policy Toward Iran and Iraq," 3.

regime is the only long-term U.S. strategy that makes sense. 144

¹⁴⁴John Diamond, "Replacing Iran Regime Advocated by Gingrich,"
The Washington Post, 9 February 1995, 30(A).

Conclusion

U.S. Policy of Dual Containment

When trying to make an unbiased opinion concerning the rift which exists between the United States and Iran, it appears the major problem is they compete for supremacy in the Persian Gulf. The U.S. of course is concerned with maintaining good relations with the GCC in order to allow the free flow of oil from the Gulf. As was learned from the Iran-Irag war, this requires a U.S. presence in the area. Past history has shown Western nations develop a foothold in the Gulf by invitation only. Iran, on the other hand, has a vested interest in ensuring this invitation is not extended to the U.S., in order to regain its, Iran's, past status as a power in the region. In fact the U.S. has gone into Iran's frontyard and displaced it as the neighborhood "enforcer." When broken down into these very simple examples, the next step would be to attempt to allay each others fears and come to a degree of mutual understanding. This does not mean that over night the U.S. and Iran could become the "best of friends," but rather that they acknowledge differences in each others regional interests and then strive to develop mechanisms to allow them to co-exist in the region.

The current U.S. policy of "dual containment" does not appear to be working. Since the U.S. is following this policy

unilaterally, Iran is able to fulfill its economic needs through European, Asian, and even U.S. companies. So much that it has developed serious deficit spending problems. significantly more on imports than it earned from oil exports. As a further derailment of "containment," the U.S. now sees its European allies rescheduling loans to Iran to help its short term fiscal crisis. The one positive aspect of "containment" has been Iran cannot buy Western military equipment or "dual-use technology" and has resorted to buying this equipment from the CIS and Asian countries. Realistically this is only an advantage if one considers Western equipment to be that much better than Russian or Chinese equipment even as Iran is able to get the most sophisticated weapons these countries have to offer. It has not stopped opposition assassinations or support for either Hamas or Hizbollah. Neither has "containment" prevented Iran from pursuing the development of an unconventional warfare capability.

What "containment" has done is allow the U.S. to develop a stronger presence in the Persian Gulf, provide an outlet for the U.S. beleaguered defense industry by portraying Iran's military buildup as a threat to the GCC countries, provided self serving legitimization for various Middle Eastern countries which are immersed in their own domestic or international problems.

"Dual containment" always has the ready excuse that "we (U.S.) remain willing to enter into an authoritative dialogue with Iran to

discuss the differences between us," to fall back on. Yet possibilities for dialogue were passed up in the past, i.e., after the hostage release which Iran played an important role, Iranian support of UN declaration during Desert Storm, and the fact that Tehran prevented Iraqi planes from flying from Iranian bases during Desert Storm. The U.S. claimed that while it appreciated Iran's actions, Iran still needed to address its actions in other areas, i.e., human rights, terrorism, and its military buildup, before a dialogue could be started.

"Dual containment" lacks substance as a foreign policy. Foreign policy is easy when relying on your military might to enforce it. Statesmanship develops long standing relationships and this of course requires dialogue. Statesmanship in the Persian Gulf region is more difficult for ideologies enter into the equation among the U.S.'s friends as well as its enemies.

Iran does not make diplomatic approaches easy. The ruling clerics are in power as the vanguard of Islam against Western influences. The nature of politics in Iran does not allow official negotiations with the West for fear it will appear as a sign of weakness for an opposing faction to exploit. The need of many of Iran's current leaders for secrecy when engaged in dialogue with the West is critical, because they feel without it they could not remain in power. They continue with the inflammatory rhetoric to prove they are loyal to the revolution and uncompromising in their

loyalty to the late Ayatollah Khomeini. Their support of Hamas and Hizbollah and their sympathies with other Middle Eastern fundamentalist groups continue to keep Iran ostracized from the international community.

Iran is in a weakened position and has a valid need to rebuild its military. As any fiscal minded shopper would, it is attempting to get the most for its money. Iran identified key weaknesses in its military during the Iran-Iraq war and also learned valuable military lessons while observing from the sidelines during Desert Storm. Iran recognizes the Persian Gulf as a key if not its key center of gravity, thus the emphasis on the ability to control access to and from the Gulf. With the exception of the Su-24 Fencer, the Iranian Air Force lacks a power projection capability. This renders the Air Force almost entirely a defensive force. Kilo submarines are a threat to GCC forces and facilities, but only if the U.S. is not present. The Kilo submarines and mining of the Strait of Hormuz could conceivably close Gulf access to the U.S. and its allies, but also would deny Iran its ability to sell its This however, would be only for a short time as the U.S. would "roll back" the Iranian threat prior to entering the Gulf. With the rest of the world so attuned to the Persian Gulf following the Iraqi invasion of Kuwait, it is difficult to believe any country in the Gulf would currently have hegemonic designs on its neighbors.

At the same time, the concerns of the U.S. and its allies of

an ultimately aggressive Iran are legitimate. During the Iran-Iraq war, Iran showed little compunction regarding its attacks against neutral merchant vessels. While Iran should not currently be considered a major threat, an unabated buildup of military power will eventually allow Iran to reemerge as a significant force in the region. Even with its front line weapons purchases, it still lacks the integration and command and control functions to immediately be able to conduct coordinated operations. Iran's current military capability suggests that Iran is better prepared for isolated engagements against smaller, weaker, and unprepared targets.

so the quandary is, Iran has a legitimate need to rearm yet, with the current regime in power, the U.S. and the GCC countries do not want to allow it to get too powerful. This would suggest that some type of arms control policy would be warranted, yet the U.S. and the CIS and Asian countries are currently conducting a "fire-sale" of military equipment to the countries of the Persian Gulf. A RAND study Controlling Conventional Arms Transfers; A New Approach with Application to the Persian Gulf, prepared for the Under Secretary of Defense for Policy suggests a, "control regime should be to limit weapons that, if sold, would affect regional military balances in ways inconsistent with U.S. strategic interests." The study had three criteria for weapon systems

¹⁴⁵Kenneth Watman, Marcy Agmon, and Charles Wolf, <u>Controlling</u>
<u>Conventional Arms Transfers; A New Approach with Application to the</u>
<u>Persian Gulf</u>, (Santa Monica, California: RAND, 1994), ix.

which should be controlled; (1) "high leverage" - exert an especially powerful influence on battlefield outcomes, (2) "low substitutability" - have no substitutes user can obtain from other buyers outside control regime, and (3) "low opportunity cost" - opportunity cost for the forgone sales incurred by states adhering to the regime should be low. It goes on to list the weapons meeting all three criteria;

- -Submarines
- -Stealth aircraft
- -Advanced sea and land mines
- -Advanced air-to-air, air-to-ground, ground-to-air, antishipping, antitank, and other ground-to-ground munitions and the associated devices needed for their effective operation
- -Tactical ballistic missiles and cruise missiles with advanced conventional warheads
- -Tactical air defense systems and some strategic air defense systems
- -Advanced reconnaissance, surveillance, and target acquisition systems, and, possibly, some battle management and electronic warfare systems. 146

The study suggests this regime be applied to all countries in the Gulf and "seek to prohibit rather than simply regulate their sale." Finally the study suggests the formation of a mechanism to either help defray the costs of a would be supplier who forgoes

¹⁴⁶ Ibid., x.

sales, or to penalize those that do not. ARCOGNIZING limiting factors to the suggested control regime, RAND analysts point out,

"The obstacles result from the strong economic incentives of arms sellers, and the strong political-military incentives of arms buyers, to breach any stabilizing mechanism that may be established." 148

While this type of arms control program would be ideal in the Persian Gulf region, it is highly unlikely considering the current arms race. This control regime would require the cooperation of all the major arms dealers, U.S., England, France, former Soviet Union, and China and arms buyers of the Gulf. To implement a program such as this would benefit long term stability in the region by slowing down the arms race, providing more appropriate military equipment for individual countries, allow more money spent on domestic programs and relieve the tensions by having a mechanism in place to take disputes for arbitration.

The U.S., its allies, and Iran have legitimate concerns on the issue of unconventional weapons. Iran as a victim of both chemical weapons and missile attacks, was left to its own devices by the international community which refused to condemn or stop Iraq. Without the ability to retaliate at the time, Iran has set out to insure it will not be so susceptible to these weapons in the future by having an in kind retaliatory capability. It almost appears the

¹⁴⁷Ibid., xi.

¹⁴⁸ Ibid., 21.

lack of support from the international community has led Iran down The U.S. and its regional allies are rightfully this road. concerned with Iran adding this threat to its military inventory. does have the right to be concerned about the proliferation of nuclear and chemical weapons, as does the world There are no real easy answers but it will require community. nations already having nuclear technology ensuring that it is not passed on to nations seeking a similar capability. With the republics of the former Soviet Union and China searching for economic markets, this would be difficult to do, as it appears Russia is having a hard time maintaining control of its resources and technical expertise. Also, unfortunately everyone seems to have a price. The main problem is the lack of believability in IAEA inspections as evidenced by Iraq and North Korea and the refusal of Israel to sign the NPT.

capability for anything other than a deterrent. However, few are willing to accept this assumption at the risk of being wrong. The leaders in Tehran have not shown they are capable of controlling rogue elements. Nor do they send a message of reassurance with their anti-Western rhetoric and support of terrorist organizations. The risk here of being wrong is too high. A resurgent Iraq still has the nuclear know how. Central Asian countries have nuclear weapons in unstable political environments to the north. Israel is

estimated to possess 230 weapons to the west. 149 Until the international community can ensure Iran it is free from a nuclear threat, Iran will probably continue efforts to gain nuclear weapons, along with ballistic missiles and chemical weapons.

There is little to suggest Iran has designs on neighboring Gulf states. Iran will support any movement that purports Islamic ideals at the expense of a secular government. Iran's domestic situation, however, would not instill confidence to a fledgling government. I believe Iran's wresting of Abu Musa and the Tunb islands from the UAE was made as a military decision to strengthen its bid to control access to and from the Gulf. Until both sides submit their respective claims for arbitration this issue will stay resolved in Iran's favor.

Graham Fuller cautions U.S. policy makers to look beyond Iran when determining appropriate courses of action;

"I think our policy towards Iran needs very special care and consideration because we're dealing with the first major Islamic republic in the Middle East. It will not be the only one. We are setting critical precedents in our handling of this country in ways that will affect our handling inevitably of other Islamic republics

The Worldwide Weekly Defense News, vol 10 no 5, 6-12 February 1995, 16. During a pre-NPT meeting in New York 23-27 January 1995, Egypt, Columbia, Indonesia, Iran, Mexico, Myanmar and Nigeria submitted "Document 13." It calls for nuclear weapon states to ban all types of nuclear weapon testing, foreswear use of nuclear weapons against non-nuclear states, and reaffirm a commitment to elimination of nuclear weapons.

to come, for better or for worse."150

This applies equally as well to our relationships with the individual GCC countries. By the U.S. and the West supporting the GCC countries we are replicating a situation or similar to that which existed in Iran as it was under the Shah during the 1970's. Like then we are selling astronomical amounts of sophisticated weaponry to countries not allowing freedom of the press or political participation, and whose religious beliefs are not as tolerant of Western society norms (i.e., alcohol, bathing suits, women's rights, minority rights etc.). Like then we expect the ruling regimes to be able to remain in power, even though these arms purchases compete with social spending and there are Islamic fundamentalist movements getting stronger in the various countries. Like then there is a chance one day the U.S. military could be fighting against U.S. produced equipment.

The Western dilemma with regards to Iran is well described by Andrew Rathmell;

"The West is faced with the need to mix long term efforts at military and political containment with efforts to expand slowly those political and economic relations that normalize relations, and build ties to the Iranian people, but do not strengthen Iran's government." 151

¹⁵⁰Graham Fuller, member of panel of "Symposium on Dual Containment: U.S. Policy Toward Iran and Iraq."

¹⁵¹Cordesman, RUSI Journal, 15.

Building these bridges is certainly not easy, but neither will they be built with a policy of "containment." The U.S. wishes to export its brand of democracy, control access to and from the Persian Gulf, and continue to buy Gulf oil at fair market prices. Iran wishes to export its brand of Islam, control access to and from the Persian Gulf, and sell its Gulf oil at higher prices. Currently the price to pay for a policy of "containment" is beneficial considering the results (i.e., income, jobs in the defense industry, and cheap oil). Unfortunately, Iran and even Iraq will not go away and the longer the U.S. continues its policy of "dual containment" it will be that much harder to make diplomatic approaches in the future. Already Russia and France are beginning to call for the end of UN sanctions against Iraq. U.S. has seen its allies reschedule Iran's loans and the former Soviet Union and Asian countries providing them sophisticated weaponry. As well it is seeing the GCC countries slowly mending relations with Iran for they will always be neighbors. Now is the time for the U.S. to take the lead and formulate a Persian Gulf regional organization under the protection of the international community.

APPENDIX

TABLE 1

1994-95 Comparative Survey of Freedom

Table of Independent Countries, Comparative Measures of Freedom

Country	PR	<u>CL</u>	Freedom Rating
Bahrain	6	6	Not Free
Egypt	6	6	Not Free
Iran	6	7	Not Free
Iraq	7	7	Not Free; one of 21 worst rated
Israel	1	3	Free; excluding occupied ter
Occupied ter	6	5	Not Free
Jordan	4	4	Partly Free
Kuwait	5	5	Partly Free
Lebanon	6	5	Partly Free
Oman	6	6	Not Free
Qatar	7	6	Not Free
Saudi Arabia	7	7	Not Free; one of 21 worst rated
Syria	7	7	Not Free
UAE	6	5	Not Free
Yemen	5	6	Not Free

Note. Rates the rights and freedoms individuals have in each country and territory. Ratings composed of; (1) "Political rights" that enable people to participate freely in the political process; (2) "Civil liberties" are the freedoms to develop views, institutions and personal autonomy apart from the state. Scores equate to 1 representing the most free and 7 the least free.

Source. Tables 1, 2, and 3 come from the Freedom Review, Volume 26, No. 1, January-February 1995.

TABLE 2
Table of Social and Economic Comparisons

Country	Real GDP per capita (\$)	Life Expectancy
Bahrain	11,536	71.0
Egypt	3,600	60.9
Iran	4,670	66.6
Iraq	3,500 est	65.7
Israel	13,460	76.2
Jordan	2,895	67.3
Kuwait	13,126	74.6
Lebanon	2,500 est	68.1
Oman	9,230	69.1
Qatar	14,000 est	69.6
Saudi Arabia	10,850	68.7
Syria	5,220	66.4
UAE	17,000	70.8
Yemen	1,374	51.9

Note. Source document is the UN's Human Development Report 1993. Life expectancy not differentiated by sex.

TABLE 3

Press Freedom

Country	Amount of Freedom
Bahrain	Partly Free
Egypt	Not Free
Iran	Not Free
Iraq	Not Free
Israel	Free
Jordan	Partly Free
Kuwait	Partly Free
Lebanon	Partly Free
Oman	Not Free
Qatar	Not Free
Saudi Arabia	Not Free
Syria	Not Free
UAE	Not Free
Yemen	Not Free

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